

Finance and the family

The problems of going abroad to work

Early in January I took up an appointment in Bermuda to manage a wholly-owned subsidiary of the U.K. group by which I have been employed for most of my working life. The Bermuda company so far has employed no staff, but I have been president for the past six years. I own a house in the U.K. which I shall let furnished.

I understand that provided I am absent from early January, 1977 to early January 1979 and do not visit the U.K. for more than six months in the one tax year, or three months on average, I shall be regarded as not resident nor ordinarily resident in the U.K. for this period, and hence that it would be beneficial to "bed and breakfast" shareholders on which I have made gains, preferably after April 5, 1977. In this way I should have been absent a full tax year when I made a tax return and should not be liable to capital gains tax. Do you agree with all this? Are there other points I should take into account?

From what you say, we take it that you have read Inland Revenue booklets IR20 and IR25 ("Residents and non-residents" and "Taxation of foreign earnings"). We should, however, draw your attention to concessions A14 and D2 to booklet IRI (Extrastatutory concessions), as rewritten in the 1971 supplement: you will become liable to capital gains tax again from April 6, 1978, even if you do not set foot in

the U.K. between this month and January 1979. Provided that you bear this in mind, your proposal to bed-and-breakfast your gains is sound—you must weigh your reason for delaying the bed-and-breakfast deals until after April 5, 1977, against the risk of countervailing provisions being introduced in the spring Finance Bill.

Provided you live in your house again after you return, the furnished letting should not prejudice your existing right to exemption from capital gains tax upon its eventual sale (section 29(4), Finance Act 1965).

For 1976-77 and 1978-79, you will be entitled to full personal allowances against your income chargeable to U.K. tax. It is unlikely that you will obtain any significant relief by way of allowances for 1977-78 (though this depends on the figures, of course), and so you should budget for investment income surcharge on U.K. taxable income over £1,000 and higher rate tax on any excess over £5,000, with no allowances. If the rent is paid direct to you (or into your bank account), the tenant will probably have to deduct basic rate tax under section 89 of the Taxes Act, but this does not prejudice your right to relief for expenses etc.

Finally a caveat: we have followed your assumption that your job in Bermuda in 1977 and 1978 will be accepted by the Inland Revenue as an employment under contract of service all the duties of which are performed outside the U.K. (or at least that any duties per-

formed in the U.K. will be regarded as merely incidental, as explained in paragraph 2.13 of sec. of IR25). However, since you have held office in the Bermuda company for the past six years or so, presumably performing the duties of that office in the U.K.—it is just possible that the Inland Revenue might attack the job as hybrid.

Child benefit and tax

Having read the Department of Health and Social Security leaflets dealing with child benefit I am somewhat confused and would be grateful for your explanation. At what tax rate does it pay to draw child benefit for one child under 11 years and another aged 12? If the wife is working and is separately taxed at a lower marginal rate than the husband can the tax liability of child benefit be taken by the wife? We do not blame you for being confused by the changes of policy over child benefit end tax during the past months.

To fact there is no problem: child benefit is to be exempt from tax and there will be no tax clawback—merely a complex reorganisation of income tax child allowance. Everyone who qualifies for child benefit should therefore claim it. (Section 33 of the Finance Act 1976, which says that child benefit will be taxable end subject to clawback, is to be

repealed in initio by the next Finance Bill).

The leaflets which you have read (the T series, available in post office) are intended for one-child families: the leaflets over forms for mothers with more than one child are available only from social security offices (or by post from the DHESS, Newcastle-upon-Tyne, NE98 1YX). Your wife should read leaflet CH1 and then complete a claim form CH2 and two slips CH3—one for each child.

For one-child families, the corresponding leaflet and forms are CH1(T), and CH2(T)—which is stapled inside each CH1(T)—and again CH3. We take it that you are not currently receiving family allowances, because of the clawback penalty: wives who are collecting family allowances do not have to take any action—the procedure for exchanging books etc. will be announced in the Press in February.

Class F charge and a house

I have started divorce proceedings against my husband and as he was already arranging to sell our home, I found accommodation for myself and my two children. My solicitor advised me to register a Class F Classification on the matrimonial home, which was duly done. I knew that my husband had taken out a mortgage to buy this property and that he had a substantial

overdraft at the bank. Later my solicitor who discovered a second mortgage and he told me to release the Class F on the house as there would be no money for my children. My husband does not pay us any maintenance.

Is it correct, that my interest in the house does not take precedence over the second mortgage? That the bank could sue me to release the Class F, and I might be liable for costs? If I left that Class F on would I be liable for payments for rates etc. while the house was empty? I have no claim on any shares or dividends that my husband received from a private company?

Your Class F charge has the effect of giving notice to a purchaser (including a mortgagee) that you have rights of occupation of the matrimonial home. The second mortgage will therefore not be in a position to assert that he has no notice of your rights if the second charge was created after the date of registration of your Class F charge. In that event the bank would not normally be able to recover costs against you personally if it applied to the court for an order to sell our home, I found accommodation for myself and my two children. My solicitor advised me to register a Class F Classification on the matrimonial home, which was duly done. I knew that my husband had taken out a mortgage to buy this property and that he had a substantial

overdraft at the bank. Later my solicitor who discovered a second mortgage and he told me to release the Class F on the house as there would be no money for my children. My husband does not pay us any maintenance.

Is it correct, that my interest in the house does not take precedence over the second mortgage? That the bank could sue me to release the Class F, and I might be liable for costs? If I left that Class F on would I be liable for payments for rates etc. while the house was empty? I have no claim on any shares or dividends that my husband received from a private company?

Your Class F charge has the effect of giving notice to a purchaser (including a mortgagee) that you have rights of occupation of the matrimonial home. The second mortgage will therefore not be in a position to assert that he has no notice of your rights if the second charge was created after the date of registration of your Class F charge. In that event the bank would not normally be able to recover costs against you personally if it applied to the court for an order to sell our home, I found accommodation for myself and my two children. My solicitor advised me to register a Class F Classification on the matrimonial home, which was duly done. I knew that my husband had taken out a mortgage to buy this property and that he had a substantial

Outside the Rent Act

Referring to your reply, under Outside the Rent Acts (November 6, 1976) if two unmarried people share a flat are they entitled to any protection normally given by the Rent Act? Also, where a tenancy is not protected such as a dwelling house or flat let together with land other

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Beware of gate crashers

I MUST confess to surprise that there can be anyone who insured his property against fire, but who fails to cover the various other perils that can damage or destroy his property—particularly as the cost of cover is so trivial. From time immemorial the cost of insuring against vehicle impact damage was one old penny per cent—and though the rate has been devalued, it remains virtually the same—so that impact cover on a building insured for £100,000 costs around £4 a year. This cover, incidentally, does not include damage done by the policyholder's own vehicles—but if he wants this extra protection, then insurers will provide it at roughly four times the basic rate.

Insurance

JOHN PHILIP

Nowadays there are many "package" policies provided for offices, shops, hotels and so on, where the value of the property and its contents does not exceed £50,000. Most of the packages include cover against a wide range of material damage perils—damage by aircraft and impact, riot and civil commotion, storm and so on—which have to be bought separately if one is arranging a non-package, traditional fire insurance where the financial limit on packages is exceeded. Package policy wordings vary considerably, but most packages include impact damage by the policyholder's own vehicles, subject to an excess, each claim usually in the region of £25.

On the domestic front the majority of household policies now include vehicle impact damage without restriction—so that the policyholder who hits his own gate post or garage doors can usually get the repairs carried out at his household insurer's expense.

The point I discussed last week—that the householder should insure his home for the cost of reconstruction, even if this exceeds its sale market value—has caused some readers to express doubts as to whether insurers would in practice pay anything in excess of such market value.

Suppose I have an old but not ancient property, which by its assessment would cost £50,000 to build, but which because of its location and other factors is profitable only at £30,000, including the cost of the land value. In the event of my home's total destruction the question I have to ask myself is this—should I move, or should I have my home rebuilt as it was before? If the latter then undoubtedly I should insure for £50,000—but I can expect insurers to give me at most to use as I wish—I can only look to them to pay the bill as the work proceeds.

In theory, perhaps, if I am ready to move, then I should insure for and receive only the market value; but this theory breaks down quickly, because the practical issue is that I must insure my home not only against its total destruction (a relatively remote contingency) but also for its partial damage (which is much more likely). The same value yardstick must be employed for both purposes, and on a claim for partial damage and its repair, I run the real risk of being penalised for underinsurance if I have only bought cover to the extent of 60 per cent of the rebuilding cost.

That there is a real problem here, I do not think any insurers dispute. But while for most of us the cost of reconstruction equates with or is less than the market value of our homes, and while there is so much underinsurance in all sections of the household market, insurers cannot be expected to move towards its solution for the benefit of the relatively small number of householders whose market values are lower than the cost of reconstruction. Concerned with the salvation of his home, for the purpose of reconstruction another reader asks how this should be done, if at all, without the advice of an expert surveyor or builder.

Weekend Brief

Leisured life

Mr. Woodrow Wyatt, the chairman of the Tote Board, has certainly stirred things up with his recent suggestion of a State betting monopoly and the dismantling of Britain's commercial bookmaking system. Such a step, said Mr. Wyatt, would greatly increase the betting yield for both racing and the State, and reverse the situation in which



Nicholas Coral

the commercial bookies "suck out profits from the racing industry and spend them on hotels, casinos, marinas, amusement centres and so on."

Channel four

THE PRESSURE that is now building in the U.S. for a new fourth television network has almost nothing to do with a desire for better television programmes of more choice for the sorely afflicted viewer of American commercial television.

Education

BILL KIRKHAM

INDUSTRY needs more graduates. Leading industrialists say it. The Prime Minister has said it. Throughout the employment difficulties of last summer and autumn, industrial recruiters were saying it. Of course there were difficulties, and of course a number of graduates have experienced substantial problems in their search for suitable employment.

Statistically, however, graduates have fared much better than non-graduates (a fact which in itself raises a number of serious questions, and which has grave implications for school leavers in an age of increasing reliance on academic qualifications as a preliminary means of selection for many jobs). Statistically, too, the demand for graduates by industry has proved to be buoyant by comparison with the demand in other sectors of the economy.

this week from Mr. Nicholas Coral, Coral's chairman, addressing the Select Committee on Nationalised Industries.

He told the Committee that Coral's betting profits after tax in the four years to 1976 were £5.873m, on a turnover of £460m. Depreciation accounted for £1.7m and £5.7m had been spent on the expansion and upkeep of betting shops. As a result, the amount of betting shop profits used to finance other activities in the group was "nil".

Mr. Wyatt will have read those figures with interest, but may have welcomed an opportunity to point out just how diversified Corals has become.

It owns four top London casinos, a string of bingo and social clubs, a number of investment properties, the Cresta Marina at Newhaven, and two greyhound tracks. It is now building a leisure complex on Blackpool's Golden Mile. That's an impressive portfolio; but how it could have been put together without the help of Coral's original burst of expansion in off-track betting in the early 1970s is something that Woodrow Wyatt would presumably wish to know.

Even though a minute of prime time advertising now costs around £100,000 on a popular show, there is now an embarrassing abundance of advertisers seeking spare because of the huge market they can reach. Aware of this excess demand Metromedia is now proposing to link its six stations with others so that the new network can

reach 50 per cent of all the homes with television in the U.S.

To begin with the new network would only show a common programme for half-an-hour a day, but the aim is to build it up rapidly so that there are at least two to three hours of common programmes—and, of course, common commercials—a night.

So far, there has been almost no talk about the programmes that might fill the gaps between these advertisements. But the new project might be useful for British programme makers if it really gets off the ground.

He wants to cut the annual rate of production in the Nauru phosphate mining industry—the island's only industry—to prolong its life, currently estimated at no more than 20 years. The change might also be accompanied by charging higher prices, but even if it is not the effect on the general market will be, inevitably, to put a premium on supplies from other sources.

money. Although the whole shape of U.S. television is very different from that in Britain. It is a situation that the U.K. Annan Committee on Broadcasting might like to ponder as it considers the possibility of a new fourth channel in Britain.

For many years the U.S. commercial television scene has been dominated by three major networks—CBS, NBC and ABC. These link together local stations across the country by land-line, and supply them with most of their programmes. They also sell advertising on nationally networked programmes, leaving the local stations to make their money out of commercials on local programmes like the news.

But in larger cities, there are also independent stations which tend to offer a staple diet of old films, cheaply purchased old programmes, and indifferent variety shows. Some, like WORX in New York, are more ambitious, but they are the exceptions.

Like the three commercial networks—but unlike the non-commercial Public Broadcasting network—all these local stations are entirely financed by advertising. It is the shortage of national advertising space which has prompted Metromedia, which owns five local stations, to join with an advertising agency and propose a new fourth network.

Even though a minute of prime time advertising now costs around £100,000 on a popular show, there is now an embarrassing abundance of advertisers seeking spare because of the huge market they can reach. Aware of this excess demand Metromedia is now proposing to link its six stations with others so that the new network can

total believed to be looking for a permanent post at December 31 1975 was still smaller than the figure for graduates believed to be unemployed at the end of 1974. In other words, while the prospects of getting a job in 1975 were, in general, very much worse than in 1974, opportunities for graduates had improved.

It seems that, at last, for many graduates industry is once again a good and normal career field to consider. If the need to attract more able people into industry, so constantly and urgently asserted, is genuine, it is important to keep it that way. It only wants a panic reaction by the recruiters (or rather, by their bosses) to some new lurch in the economy, to set the clock back to 1974. It only wants a few major employers to announce (as many did then) that they do not after all need graduates, for the public myth about "unwanted" graduates to become reality rather than delayed history. If that happened, it would take at least another five or six years for the fences to be mended again.

In the past two or three years the serious employers have in fact been well aware of the importance of seeing recruitment as a strategic process rather than a series of fits and starts, if the proportion of able people entering industry is to be increased.

the rest going to New Zealand and East Japan.

For the present, President Dowiyogo is being extremely cautious about every statement of policy while his tiny electorate absorbs the shock of the first change of political leadership since it attained independence in 1969.

Throughout that period, Nauru was run by President Hammer De Roburt, Formerly designated Head Chief of the island. As Head Chief he negotiated independence from Australia.

Mr. De Roburt drove some hard bargains in successive phosphate price negotiations which have led to the 21-square-kilometre island having an annual income of about \$Aust132m. It gives the 6,700 Nauruans average income per head nearly double that derived by the Kiwis from their oil.

A substantial part of Nauru's recent income has returned to Australia in investments like Nauru House, a \$A35m. office complex, among the largest in Melbourne. Other sums have been poured into a shipping venture, Nauru Pacific Line, and Air Nauru, a regional airline, both of which have been losing heavily.

Mr. De Roburt and his cabinet, which had an average age of 60, had been under pressure, from the younger

members of Nauru's 18-member parliament to change both investment and production policies—and in particular to replace three of the oldest

ministers, whom the young considered incompetent.

When they were rebuffed again, they decided to press a protest vote at the first meeting of the new parliament. To the surprise of its commander a majority and the old administration was ousted. Even at that stage, Mr. Dowiyogo offered to restore the DeRoburt Government, provided the three ministers were removed and his group given Cabinet positions. The offer was rejected and Mr. Dowiyogo set about forming a Cabinet with an average age of 32.

STeady improvements in the processes of multi-colour offset and photogravure in recent years have not only encouraged the reproduction of the fine arts on stamps but made for greater accuracy and subtlety in the gradations of tone and colour. The seemingly inexhaustible supply of pictorial matter of all kinds means that this is one field at least in which stamps can provide infinite variety for every conceivable occasion.

Within the past few weeks there have been stamps reproducing works of art that range chronologically from the petroglyphs of 4000 BC (St. Vincent's National Trust series of December 16) to a woodcut entitled "Cyprus 74," by A. Tassos (the Cypriot refugee stamp issued a fortnight ago) and children's paintings from Yugoslavia and Norway on Yugoslavia's "Joy of Europe" international youth congress set.

As a rule art stamps nowadays fall into one of two categories; they are either issued in sets with a common theme, or they are issued to publicise some event which can be illustrated by an appropriate painting. Two of the issues forecast by Taiwan come into the first group. At the end of this month a set of three seasonably reproduces ancient Chinese paintings of "Fine Bamboo and Plum—Three Friends in Winter," while March sees the release of a set of four stamps reproducing landscape paintings by Madame Obaing Kai-shek, continuing a charming tradition which began in 1975 and now looks like becoming an annual event.

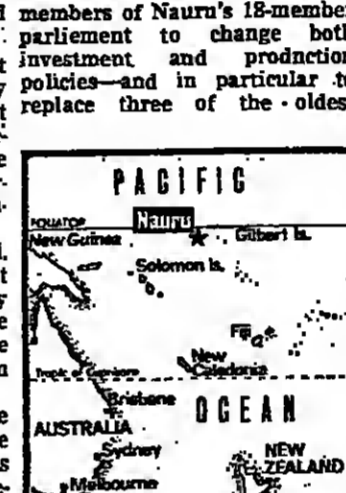
Last October, Norway issued two stamps reproducing 19th-century landscapes by Thomas Fearnley and L. Hertvig, printed in multicolour offset by Småt Mostue, using phosphorescent paper supplied by Harrison and Sons, of High Wycombe. Spain's Stamp Day series in late September consisted of eight

stamps, each reproducing a different still life, by Luis Menendez de Rivera, taken from the marathon series of 44 paintings in this genre which he executed for the King's study in Aranjuez and which now hang in the Prado.

On November 29, Yugoslavia celebrated the Day of the Republic with six stamps reproducing historic paintings representing each of the constituent republics and ranging from "Battle of the Montenegrins" by Djura Jaksic (1832-

1876), to the First World War painting, "Breach of the Solun Front," by Veljko Stanovic (1892-1967). The stamps were printed in multicolour photogravure, by Enschede of Haarlem. France has done more than any other country to popularise art stamps and the latest issues are up to the usual standard.

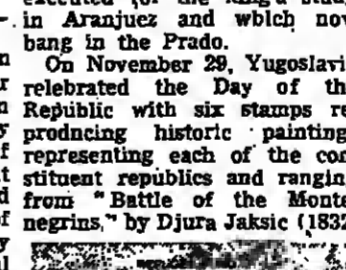
A two franc stamp issued on December 20, shows a still life by Maurice de Vlaminck, first exhibited at the Salon d'Automne in 1905 and now in the Jeu de Paume art gallery. The next French art stamp, scheduled for February 14, reproduces Corot's "Le Pont de Mantev".



PACIFIC OCEAN

produced a detail from a painting by Velasquez, now in the Prado, Madrid. Velasquez, painter to King Philip IV of Spain for 35 years, portrayed relatively few of the ladies of the court, but concentrated on the jesters, buffoons, dwarfs and half-wits whom he painted with great sympathy. It is a portrait of one of the latter that appears on the Belgian stamp.

This looks like being a major year for the Old Masters, culminating in the celebration of the quarter-centenary of Peter Paul Rubens on June 29. Already several countries have issued stamps in his honour. A hot favourite is the set of three stamps reproducing Rubens' paintings issued by Liechtenstein in small sheets, each containing nine stamps. After the fiasco of the Manx Europa sheetlets last summer collectors of art stamps would be well advised to purchase the Liechtenstein sheets without delay. France is issuing a stamp reproducing a detail of the Rubens portrait of Antoine and Anne Goubeau at the feet of the Virgin. Turkey is issuing three Rubens stamps in April and West Germany a single stamp for the printed paper rate on May 17. Doubtless many other countries will be joining in the philatelic celebrations before the year is out.



JAMES MACKAY

Other painters with anniversaries this year include Eduard Gaertner, the centenary of whose death on February 22 is being honoured by a stamp from West Berlin bearing a self-portrait, and Alfred Kubin, the painter and graphic artist, whose self-portrait appears on a six schilling stamp being issued by Austria in March. The 150th anniversary of the painter Silvestro Lega was marked last month by a 170 lire stamp reproducing a detail from his painting "The Visit," now in the National Gallery of Modern Art, Rome. Continuing the occasional series devoted to cultural celebrities Italy's latest set of five includes portraits of two Florentine painters, Ghirlandajo and Dolci, and Sassoferrato, the outstanding artist of the Roman school.

Contributors: Michael Thompson-Noel, Kenneth Randall and David Bell.

سكنا من الاموال

Motoring

Sport



Swedish flagship

BY STUART MARSHALL

VOLVO'S FLAGSHIP, the 264GLE, exemplifies the motor car as a management tool. It has clearly been aimed at the businessman who likes to take the ordered calm of the executive suite with him on a journey, and whose firm can afford to spend £7,656 on his car.

Its resemblance, in mood if not in looks, to that other coveted management vehicle, the Mercedes-Benz, is striking. Even the seats have that orthopaedic bed hardness that Mercedes says is good for you and which prove to be comfortable on a long journey. With the Volvo, the only thing missing is the three-pointed star on the end of the long bonnet.

The driver sits high, for a commanding view of the road, though if he is much more than six feet tall his head will be very near the roof. There isn't so much as a speck of wood-grain, real or artificial, inside the Volvo. The fascia is of grained plastic in sombre, non-reflecting black, with a small rev. counter flanked by a large accurate speedometer and the fuel and radiator temperature gauges.

Wipers, washers, headlamp dip and flash indicators are worked by steering column stalks, the lights by a nearby knob on the right. In the middle of the fascia is a row of identically shaped rocking switches for air conditioning (apparently effective though not easy to assess in mid-January), fog rearward lamps, hazard warning, rear demister and front electric windows.

MOTOR CARS

Alfa Romeo
BURLINGTON GAMDEN
27 Camden Road, London NW1 8NR
SALES: 01-435 9333/4
Spares & Service: 01-435 8716/7

BMW, Representatives for the City of London, and services south of London. First Floor, Curzon House, 11, Whitehall Court, Tel. 01-755 5922-5.

GOURMET

GALLIAPOLI RESTAURANT, off Old Broad Street, E.C.2. Open every day. Dinner and dancing until 3 a.m. Cabaret twice nightly at 10.30 p.m. Mon-Sat. 57. Tel. 588 1922.

COMPANY NOTICES

THE SCOTTISH AGRICULTURAL SECURITIES CORPORATION LIMITED
3 1/2% DEBENTURE STOCK, 1978/84
5 1/2% DEBENTURE STOCK, 1986/88

Notice is hereby given that the REGISTER of the Corporation's above mentioned Debenture Stocks will be CLOSED for TRANSFER and REGISTRATION from 15th to 28th February, 1977, both days inclusive.

PUBLIC NOTICES

WELWYN HATFIELD DISTRICT COUNCIL: 1980,000.00 bills were issued on the 26 January, 1977, to mature on the 27 April, 1977, at 13% p.a. Applications for redemption should be made to the Council Office, 100, High Street, Hatfield, Herts. AL9 9JG. Tel. 0454 511111.

EDUCATIONAL

LEARN GERMAN IN GERMANY! Free brochures available. Mawrzi, 10, Grosvenor Gardens, London W1A 3AB. Tel. 01-499 0100. Head office: 28, Grosvenor Gardens, London W1A 3AB. Tel. 01-499 0100.

SALES

TYPEWRITERS, CALCULATORS, COPIERS, DICTATION MACHINES, etc. See list of products and prices on page 5.

There is a master switch, too, which stops children driving you mad by opening and shutting the rear electric windows, because it cuts out the switch they can reach on the transmission tunnel. The super-efficient heater/demister has push buttons to control distribution, a slider for temperature and three fan speeds. You know at once how everything works and, turned well up, it makes the interior as hot as a sauna even though it is freezing outside.

A steel sunroof is wound open manually: a pair of door mirrors are adjusted electrically by tiny four-way switches so there can be no excuse for falling to benefit from their safety advantages. The seat belt centre fixings are softly lit at night and a bright red warning on the instrument panel defies you to drive with them unfastened. About the only things of value that are missing are an oil level indicator (you still have to pull out a messy dipstick) and centralised door and boot locking. I hope both are on Volvo's list of planned improvements for 1978.

They should also mount the screen-wipers properly for right hand drive, because the present ones leave a blind spot on the top right corner of the screen.

Full marks, though, for the headlamp washer-wiper system. This is compulsory in Sweden, where many of the roads are still dirt surfaced, and desirable here. A film of road film can cut light output by more than half—yet who wants to stop and wipe the lenses with a tissue?

If I appear to have dwelt at unnecessary length on what might be called the driver amenities of the Volvo, it is only because they play so big a part in the car's personality.

Unlike a BMW or even a Jaguar, the Volvo 264GL is not the kind of car one buys because it is sporty or fast but because, like a well equipped office, it is a comfortable and efficient place to spend working hours in. Having said that, let me hasten to add that it is no slouch.

The engine, a V6 of near 2.7 litres capacity is fuel injected, runs on two star petrol and develops 140 horsepower at 6,000 rpm, though it produces maximum torque (that is, it pulls hardest) at half that speed. In the 264GLE, British-made Borg-Warner automatic transmission is standard. Those who might be reluctant to consider a Volvo because it is not British should remember that Volvo buy over £600 million worth of machinery and components from us every year.

Foot hard down, the 264GLE goes up to 42 mph in low and 75 mph in middle and will kick down gently from top into middle range at speeds as high as 65-70 mph. Held on the selector, middle in good for 35 mph at which the engine is still surprisingly unflustered. At a 70 mph motorway cruise, the Volvo is whispering along at 3,500 rpm and is very little noisier at 90 mph. Petrol consumption is around 22 mpg, driven sensibly, though a lot of fierce acceleration or dense traffic will raise it to 17-18 mpg.

The power steering is light, but not excessively so, and combined with a good lock, makes for easy parking. Handling is well mannered and secure rather than sprightly, though from past experience I know the big Volvo to be a confidence-inspiring car to drive in severe winter conditions.

The Volvo has the same engine as the Peugeot 604 and Renault 30 but, unlike them, has non-independent rear suspension. I rate its ride as good rather than outstanding though tyre noise is well suppressed. You feel pleasantly remote from the outside world as you sit back in the plush upholstered seats and listen to the super stereo radio and cassette player, which is one of the few items listed as an extra. Getting a third person on the back seat involves no loss of dignity. The boot is enormous and carpeted, with the spare wheel tucked away to one side.

Do people consciously choose cars because they are especially safe to have a crash in? I'm not sure that they do. Even so, it is comforting to know that a Volvo 264 reflects an obsessive concern for occupant safety and survival.

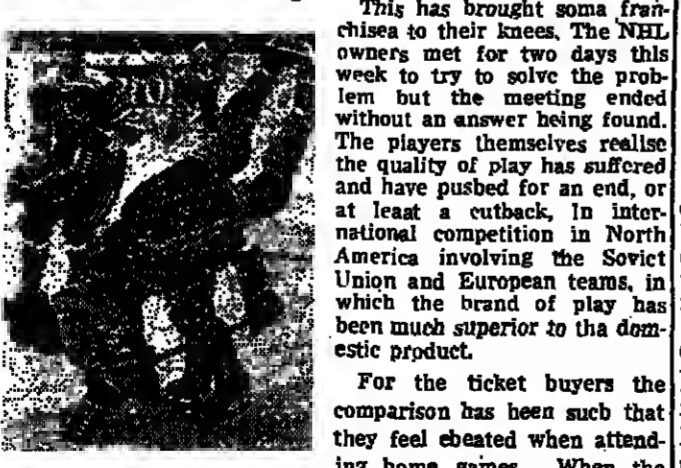
Its "day notice" lights—British motorists no longer flash to let you know you have forgotten to turn off your parking lights—make sure it is never overlooked. Ladder-type headrests protect against neck injury but are not claustrophobic to rear passengers. There can't be many cars in which all four doors open normally after a 40 mph crash into a concrete block—but the Volvo's do. And the bumpers also protect your pocket; they remain unscathed after slow speed thumps into solid objects.

TV networks shunned hockey two years ago, as advertisers became disenchanted with the ratings and withdrew their financial support.

The problem was compounded five years ago when the World Hockey Association was formed with 12 teams. The sudden increase in the number of opportunities for the top talent to command very large salaries collectively to lose \$9m. this season, and a number of teams have folded, or are on the brink of disaster. The trouble began

Ice Hockey

THE EIGHTEEN teams in the North American National Hockey League, are estimated collectively to lose \$9m. this season, and a number of teams have folded, or are on the brink of disaster. The trouble began



ten years ago when the very profitable six-team NHL decided to expand. The quality of the ice hockey game has deteriorated and only the cities with long-established fan followings are keeping their heads above water. Even some of those expect to do no better than break even.

When the League expanded, the owners counted on nationally televised games to build up interest in the game in the U.S. and draw patrons to the new franchises. But the major U.S.

Cricket

HENRY CALTHORPE

BANGALORE, Jan. 28

A FIGHTING second-wicket stand by Anahuman Gawkwad and Surinder Amarnath enabled India to reach 205 for six against England today on the first day of the fourth Test.

England, leading 3-0 in the series, struck an early blow when Sunil Gavaskar lofted a drive off John Levar and was caught by Derek Underwood with only nine runs on the board. But Amarnath and Gawkwad kept the England attack at bay with a 93-run partnership, India's best stand of the series. England skipper Tony Greig, bowling off-breaks, finally split the combination when Roger Touchar launched himself forward to take a brilliant left-handed catch to dismiss Gawkwad for 39.

Amarnath, who hatted for two and a half hours for 63, makes Greig's second victim, dragging a ball on to his wicket and India were now 124 for three.

Underwood removed Gundappa Vishwanath 10 runs later and paceman Bob Willis dismissed Brijesh Patel and Test

newcomer Yajurveda Singh as India collapsed to 170 for six. It was left to Syed Kirmani and Karsan Ghavri to holster the innings in an unbroken seventh wicket partnership which produced 35 runs. Kirmani was unbeaten with 31 at the close.

On the surface, the transformation of England's cricket from last August at the Oval, when they were comprehensively beaten by the West Indies, has been astonishing. But while their performance in India has been quite admirable, it is worth keeping it in its proper perspective. India do not have fast bowlers and it was Thomson, Lillee, Roberts and Holding who were at the back of England's recent difficulties. Nor are India's spinners as good as they once were and their batting has been sadly lacking in flight.

This is not an attempt to belittle what England have been doing, but merely a chance to say that it most certainly does not follow that Australia are going to be beaten in England this summer. Greig has said that he is determined to win this series 5-0 and whether or not he is successful in this, the players who came, in some cases, rather introspectively to India, will leave the country believing in their own ability to win. This is

something which has been missing from England's Test side for some time and it may count for a good deal when battle is rejoined with the Australians.

The tour has certainly been a tremendous triumph for Greig, who has shown at last that he has matured and learned the lessons of his impetuosity and exuberance which he showed as recently as last May when he made that ill-fated "grovel" remark about the West Indians. His captaincy and his own performance on the field has been extremely good. Off the field he has been skilful with his public relations, has gone to endless lengths to look after the interests of his players and has never appeared to be other than calm and in control.

While Greig has been the motivating force behind England's success, he has been served well by all his players, for by his inspiration and example, Greig has made players think hard about their game and has produced a much greater all-round efficiency in the side, whether it is batting, bowling or fielding.

Whether or not England go on to win the series 5-0, their Indian winter has gone a long way to revitalising their confidence and establishing their young captain as a leader of exceptional merit.



Tony Jacklin, at present fifth in the 1977 U.S. golf circuit's money list with earnings of \$24,962, is looking for a few dollars more in this week-end's San Diego Open. Jacklin's first-round score was a 4-under-par 68.

Tennis

JOHN BARRETT

PHILADELPHIA, Jan. 28

WHILE THE lesser seeds were humbled, two giants of the game's past and present emerged serenely from the wreckage of the second and third rounds of the INA U.S. Pro Indoor Championships to take their places in the quarter-finals.

The decisive 6-3, 6-2 result, achieved on the merits of a relentless volleying campaign, suggests that Stockton may well repeat a win he achieved against Rosewall on grass in Sydney last month. However, every opponent poses new problems.

At the head of affairs, another Australian, the ageless Ken Rosewall, seeded No. 10 here, sped about the court to defeat Bjorn Borg's conqueror, Ray Moore of South Africa, 6-4, 6-4, in a manner that belied his 42 years. Rosewall will now play the only other remaining seed, America's seventh-ranked Dick Stockton, rated the 12th favourite, who improved upon his 4-2 margin of victories since 1971 against Florida's Brian Gottfried, the eighth seed, who is ranked two places above him.

The decisive 6-3, 6-2 result, achieved on the merits of a relentless volleying campaign, suggests that Stockton may well repeat a win he achieved against Rosewall on grass in Sydney last month. However, every opponent poses new problems.

As Moore wryly remarked: "Playing Rosewall was entirely different from playing Borg. Against Borg's short shots, I had lots of time to decide where to hit the ball. But Rosewall gave me no time. He jerked me all over the court."

The other quarter-final in the top half brings together two contrasting styles—the graceful artistry of India's Vijay Amritraj against the bludgeoning power of the tall Californian Jeff Borowiak. Amritraj stroked his way to a 6-2, 5-7, 6-3 win against America's doubles expert, Fred McNeil, the man who had earlier surprised the No. 4 seed, Manuel Orantes, of Spain, while Borowiak, who is ranked No. 18 nationally, upset the little man on grass in Silver Springs, Maryland, Harold Solomon, ranked 12 places above him, 6-0, 6-4.

In this week of extraordinary happenings, at least one thing is certain. In the lower half there will be a South African Bernie Mitton, a tall, gaunt, bearded man from Pretoria, plays the former South African No. 1, Cliff Drysdale, who now lives and works at the WCT headquarters at Lakeway, near Austin, Texas.

Mitton's chief claim to fame is a win over Connors on grass at Chichester in 1975. The way he put out the No. 7 seed, Eddie Dibbs, suggests that this win was no fluke. Meanwhile, Drysdale ended the glorious dream of the young Texan, Bill but as the temperature at the Spectrum Stadium is lowered to 60 degrees, to conserve scarce fuel, the sheer bustling energy and enthusiasm of the world's leading players will generate enough for no one to notice.

Money

MICHAEL THOMPSON-NOEL

IT HAS BEEN said before, and will be said again, but almost nowhere is the demented cunningness of the British tax system more provocatively on display than in the arts and sport: a conviction reinforced in London this week at a seminar on sport and taxation.

All in all, Britain is a fifth-rate sports power. We glean the odd medal, the occasional world title. We also earn a few dimes on the megabuck golf and tennis circuits and do very well against India at cricket, which is bulky for us.

At the grass roots, it is savage to behold. The result of this treatment is that sports facilities in Britain are often the worst in Europe; that after tax, virtually none of our commercial clubs are left with the sums needed to invest in new plant; and that our training and coaching programmes are ludicrously under-financed.

The Kohoserve seminar heard numerous instances of how the tax authorities set about their task, their mysteries to perform,

coin-operated meter which controlled the supply of electricity to light a squash court was liable to standard rated VAT. The celebrated precedent on which the Commissioners' decision was based was a Birmingham tribunal's finding in 1973 which involved light-meters for the billiard and snooker tables in Washwood Heath and Ward End Conservative and Unionist Club.

However, states Circular 57/76, in the High Wycombe

receipts from 120,000 standing spectators. To put it another way, one in six of our home matches are played simply to pay those taxes. It is hardly surprising that Arsenal in 1980, as though Arsenal was awash in post-tax income. In 1975 the club's retained profit after tax was £803; last year it was a little higher at £7,211. In 1976, Arsenal paid £15,935 tax on a pre-tax profit of £23,146.

The seminar heard many another tax grumble: of how the MCC pays £22,500 in VAT

VAT and Corporation tax are added to personal taxation as disincentives to U.K. sports enthusiasts at all levels

the London Tribunal found that what was supplied (to a member) for the 30p which he inserted in the coin box... was (zero-rated) electricity and nothing else and the mere fact that the amount charged was 70 times greater than the cost to the club makes no difference."

The notion of C Division at Holborn Viaduct wrestling with the conceptual problems of levying VAT on squash court lighting is diverting, in a painful sort of way, until one starts to examine the other VAT problems which afflict sport in Britain.

Arsenal Football Club is currently paying in excess of £62,000 in VAT on admission charges and £23,000 in local rates. According to club secretary Ken Friar: "The total of £85,000 is equivalent to the gate

but none was more stunning than an account of how the Panzer divisions at Customs and Excise swivelled their tank turrets on the innocent men and women who run High Wycombe Squash Club.

This sad little tale is contained in VAT Circular 57/76 which originated, last September, from VAT Liability Division C at Holborn Viaduct and was circulated to all VAT collectors and assistant collectors.

It was headlined, chillingly, "VAT on Charges for Playing Squash or Other Games when the Payment is Linked with what is Ostensibly a Supply of Electricity or Lighting."

It told how the London VAT Tribunal had heard, and upheld, an appeal by the High Wycombe Squash Club against a decision by the Tax Commissioners that money fed into a

on the subscriptions of 18,000 members; how the LTA, with a profit of just £400 last year, had paid more than £110,000 in Corporation Tax over the past five years; how two professional soccer clubs had recently heard they may be liable to Corporation Tax on lottery profits. Nor was the gentleman from the British Olympic Association bubbling over with balance-sheet bonhomie. After the Munich Games, the BOA was left with £40,000 with which to begin preparations for Montreal; it may not be so lucky now. The cost of sending our teams to Innsbruck and Montreal was £500,000. Thanks to a heavy scheme run of tax. You can guess at the pressure that build up when trying to sink a putt so you can be on the last boat to Le Touquet."

Colin Snape, secretary of the Professional Golfers' Association, said that although sponsorship on the European circuit this year will total £12m, 250 of the 355 PGA members who competed in more than six European tournaments last season failed to earn more than £200; only 50 of them broke even. According to Snape, of the 300 players who enter a tournament, only the top-finishing 14 or so earn the necessary £400-plus to cover average European travelling and living costs of maybe £350-£400 a week.

It's true, of course, that these professionals are gambling on striking gold, and that the riches that accrue to the stars compensate for a lot of suffering. But whether you're at the top or the bottom, there is no opportunity to offset the lean years against the good.

"Two years ago," says Colin Snape, Maurice Bembridge was advised to spend only 63 days a year in the U.K. because of tax. You can guess at the pressure that build up when trying to sink a putt so you can be on the last boat to Le Touquet."

Skiing

ARTHUR SANDLES

A LEADING light from the little upstate New York winter sports resort of Lake Placid was foolish enough to say a couple of years ago: "We don't have such a thing as a referendum where I come from." The remark was made in answer to reporters who were questioning whether Lake Placid would indeed manage to stage the 1980 winter Olympics or whether, like Denver in 1976, it would have to pull out because local voters were against it. Denver banded over the event to Innsbruck, which seized eagerly upon the touristic promotional opportunity.

little risk of effective environmental objection there?

Two major obstacles have stood in the way of Lake Placid's achievement of becoming more than just a little dot on the world ski map. The first, getting approval for the construction of the giant ski-jumps which are so much a part of the Games' television appeal, has been cleared. The second is likely to prove harder, for that requires

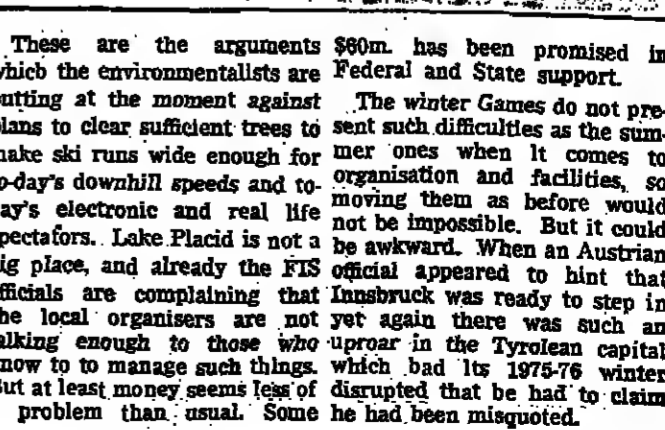
Agency Board voted by the end to allow, with one abstention, the building of the jumps, which the protesters had claimed would cause erosion, produce noise, and damage the beauty of the mountain.

The Lake Placid Olympic Organising Committee may have less fortune with its tree-clearing plans. Uprooting growing trees is somehow a more emotional affair than building ski-jumps, and it is over this issue that the International Ski Federation (FIS) is showing signs of nervousness.

FIS recently withdrew its approval of the Lake Placid runs for races of an international standard, a crucial blow for the resort which aims to run an Olympics in three years' time.

Anyone who has seen a ski resort in the making, however, will understand the point of view of the objectors. Skiers may be one of the most delightful, back to nature, sports you can find but for years after new runs have been constructed in a resort summer sunshine reveals terrible scars on the mountain side. These deep man-made scars can take years to heal. Mountain vegetation does not have the rejuvenating vigour of valley greenery.

Unbeaten this season, Austrian downhill king Franz Klammer (right) will be in action again to-day at Morzine in France, trying to get enough World Cup points to beat slalom ace Ingemar Stenmark (Sweden) in the ratings. Yesterday in St. Gervais the tiny 16 year French girl from Boulogne, Perrine Felan, again upset the ski world by winning her second world cup slalom in a week. Favourite Lisensmarie Morerod (Switzerland) did not finish the second run. Miss Morerod continues to lead the women's cup rankings, followed by Annemarie Moser-Proell.



All is not calm in Lake Placid, the small U.S. ski resort determined to stage the 1980 Winter Olympics.

the clearing of trees to create sufficient space for alpine and cross-country ski-runs of Olympic stature.

In essence the environmental protest system in many parts of the U.S. is similar to the planning procedure in the U.K.—with the exception that it is normally a public committee which gives the final pronouncement rather than a Minister. The proposal to build twin 70-metre and 90-metre jumps at Intervale Mountain produced protests to the year the Russians play host to the summer Games, with very

These are the arguments which the environmentalists are putting at the moment against plans to clear sufficient trees to make ski runs wide enough for to-day's downhill speeds and to-day's electronic and real life spectators. Lake Placid is not a big place, and already the FIS officials are complaining that the local organisers are not yet again there was such an uproar in the Tyroler capital know to manage such things, which had its 1975-76 winter But at least money seems less of a problem than usual. Some he had been misquoted.

Travel

A simple life for me

BY PAUL MARTIN

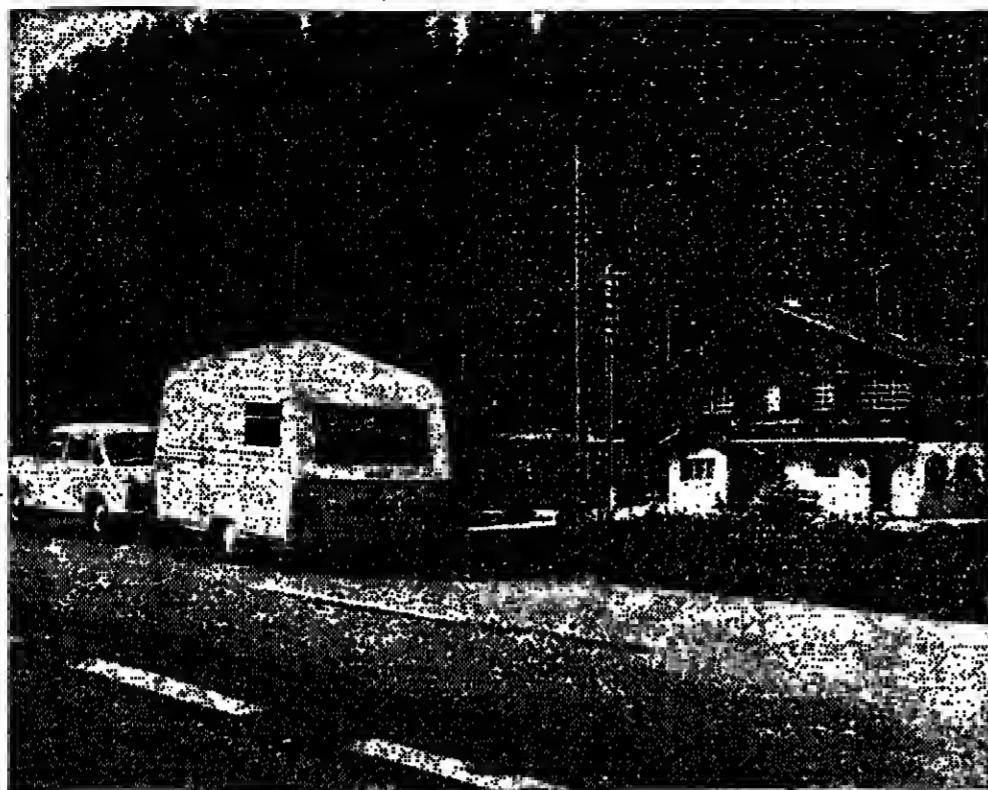
THE PROFESSIONAL traveller is often asked whether those who write about traveling spend their own holidays luxuriating in pampered five-star comfort at some exotic and unfamiliar tropical resort. In my own case, I prefer the freedom of a roomy caravan on a superb site on the edge of the New Forest that we discovered some years ago and quite by accident.

The hire of a van on a static site—one where touring vans are not accepted—is only one permutation on the whole expanding theme of camping and caravanning. While a caravan provides more space and greater comfort, the whole range of these do-it-yourself holidays has grown so rapidly that it is now entirely a matter of personal preference whether you tent or tow.

Alternatively it is well worth investigating the kind of package under which you pay an all-in cost covering transport for the car and family and either hire the equipment and take it with you or drive to a given spot where you will find your holiday home, tent or van, ready and waiting.

The market has its own terminology and a holiday home generally implies a fairly luxurious caravan-type dwelling, often provided with shower, loo, a water-heater and which can be connected to main supply services, located on a permanent site. However, before contemplating hiring either a caravan or the increasingly sophisticated camping equipment, I would certainly advise you to try out a holiday on a hiring basis.

The French, with their entitlement to a month's holiday, have long since removed camping from the Boy Scout image of rough, tough living and all that swirling canvas flapping outside the high season. The rain-soaked in the prevailing gale. Tents are now much easier to manage. The general use of tubular frames makes both storage and putting up a tent a relatively simple job.



Col de St. Cergue, Switzerland

Photo: Bill Robinson

In the prevailing economic conditions some people may feel themselves forced into trying out the tenting and towing business but the first year's involuntary camper or caravanner may well become a convert. In either case, a trial run on home territory may fire you with the enthusiasm to head out to foreign parts.

With the increases in cross-Channel ferry rates, particularly at high season, some major carriers, including Townsend Thoresen and Sealink, have gone into the business of hiring both tents and touring caravans at advantageous rates. Using this system you sometimes pick up a van at the Continental port.

Sealink quote around £170 to include transport of your own car and a family of four and the use of your towed holiday home over on the other side for a tow-week touring holiday outside the peak season.

Townsend Thoresen quote an approximate rate of £170 a day per person, including hire of a tent and all essential equipment and transport for a family of five on a 14-day holiday, again outside the high season. The equivalent figure, with caravan hire, is around £270 per person per day.

A great deal of useful and practical advice can be found in the various leisure publications

that deal with these increasingly popular independent holidays.

Should you decide to hire camping equipment before you leave, Blacks of Greenock, long-established specialists, can provide the essentials, including a tent for four for £40 per week.

If you want to do things the easy way and drive straight through to tented accommodation abroad, Canvas Holidays now have over 30 sites in Europe at an all-in cost of around £200 for a fortnight's holiday, inclusive of transport for a family of two adults and two children and a fully-equipped tent at your chosen centre.

Chancery Travel organise camping holidays in Corsica at rates from £52 to £91 per week, based on four people travelling together to cover return flights, transfers and tented accommodation at a three-star site.

The advantages and disadvantages of a motor-caravan as opposed to conventional towing are often discussed. It is obviously easier and less expensive to take the single vehicle over the water but, if you have young children, you cannot unbatch the sleeping accommodation and pop off to the local supermarket but, travelling without children, I would settle for the all-in-one vehicle. The AA and RAC can help

if you plan to hire either a towing van or a motor-caravan, where the rates are in the region of £100 a week in high season. Wilsons Motor Caravan Centres cover most of the country.

A new publication, Motor Caravan Monthly, is now on the bookshelves in addition to the magazine issued to members by the Motor Caravanner's Club.

Yet another scheme makes it possible to spend a couple of weeks at a site in Spain and the South of France without taking your own car. Continental Caravan Holidays quote a peak season price of £64 per person per fortnight, when five people travel together, with air-conditioned coaches running through to the caravan site at Agde in southern France. The same company also operates together to cover return flights, transfers and tented accommodation at a three-star site.

The alternatives are all there and, while I would strongly advise anyone trying out this kind of holiday for the first time against the purchase of expensive equipment, a little time spent in holiday planning and choosing one of the many packages available, may turn this year's first-timer into the real enthusiast who heads far afield and, with the freedom that this kind of holiday offers, sets off in a motor-caravan to tour the U.S.

ADDRESSES: Blacks of Greenock, Surrey Corner, Sidcup, Kent. Camping Club of Great Britain and Ireland, 11 Lower Grosvenor Place, London SW1. Canvas Holidays, Red Plains, Westfield, Herts, SG14 1QY. The Caravan Club, East Grinstead, Sussex, East Grinstead, West Sussex RH15 1UA. Chancery Travel, 109 Campden Hill Road, London W8 7TH. Continental Caravan Holidays Ltd, 12 Hill Street, Seaside, Jersey, Channel Islands. Motor Caravanners Club, 29 Whiteladder Park Road, London SW18 2SL. National Caravan Council, 12-13, High Street, Westbury, Wiltshire W13 8RT. Sealink Travel, Indivisa Tours Section, Victoria Station, London SW1V 1LX. Townsend Thoresen, Brochure Dept., PO Box 12, Dover, Kent CT16 1LO. Wilsons Motor Caravan Centres, 26 Acree Lane, London SW2 2SU.

Your weekend in Austria 29, Belgium 28, France 26,27, Italy 25B, Greece 26, Spain 22,25, Switzerland 4,22, U.S. 1,7,22. Source: Thomas Cook.

Gardening

The landscapes of a genius

BY ARTHUR HELLYER

NO GARDEN designer has ever expressed himself more comprehensively and explicitly than Humphry Repton. When in 1788 he decided to take over the mantle of Lancelot (Capability) Brown, who had died five years earlier, he immediately made it a central part of his policy to provide each client with a detailed analysis of his proposals illustrated by maps and overlays, showing the property both as it was and as it would appear after the alterations had been completed.

For all the most important commissions these descriptions, and illustrations were bound in red marocchino in which form they were presented to his patron. In these "Red Books" he frequently expounded general principles of design, or even discussed the living styles of the day, so that each slim volume became almost a guide book to landscape gardening at least as seen through the eyes of one strongly opinionated practitioner.

Over the years some Red Books have been lost and a large number have been acquired by collectors. Their value has steadily increased and many are now overseas, principally in America, where they are fairly inaccessible to those who might wish to consult them. Until now no attempt has ever been made of the technical difficulties and cost involved. The originals were written by Repton himself and he also painted the sketches and fitted

the flaps or overlays which provided the visual transformation. There was only one copy of each Red Book and that remained the exclusive property of the client for whom it was prepared, or subsequently of his heirs until such time as they decided to dispose of it.

So it was with the keenest interest that I learned, about a year ago, that Basilisk Press of Hampstead, London, was preparing to print exact facsimiles of three of Repton's most revealing Red Books, an early one for Antony House Cornwall, made in 1792, another, made six years later, for a particularly difficult site at Attingham Park, Shropshire, and a late one, dated 1812, for Sherringham Hall, Norfolk when included suggestions for resiting the house with alternative ideas by Repton's architect son as to what that house should look like.

One naturally wondered how successful any 20th-century printer could be with such an unusual and difficult project but now that the work is completed and the three volumes lie on my desk I have to acknowledge that all fears were misplaced. They really are good in every detail that one can imagine oneself handling the original volumes, now worth thousands of pounds apiece if any were available. Even the distinctive brown ink which Repton used has been matched, his corrections and mistakes appear exactly as in the originals and studying them one can feel Repton himself at one's side explaining detail by detail, precisely what he proposed and

why he had chosen that particular course. Although Repton was an admirer of Brown and saw himself as Brown's successor, he did not follow Brown's methods and was in many ways a more sensitive and versatile designer. He dialled the clumps and belts of trees which loomed so largely in Brown's landscapes and unlike Brown, who made a habit of introducing water in the middle distance of his compositions, Repton rarely did this though he was very ready to use and adapt water if it already existed on the site.

Repton was also a snob, keenly aware of the importance of his clients and of the necessity to impress this on the world at large. At Attingham we can see him using water and other effects (one might almost say illusions) precisely to that end. The deficiencies at Attingham, as Repton saw them, were that the house was too close to the highway and that the River Tern, which flows through the park and beneath a handsome stone bridge to join the River Severn within eight beyond, had split up in the flat land into several channels, some of which became dry in summer. To put it in his own words: "it is impossible to annex ideas of grandeur and magnificence to a mansion which appears to have so little extent of park belonging to it," so "to do away with the impression of confinement... we must begin by extending the park across the road; and thus we shall indulge the stranger while he passes one of our two greatest through the park and not on garden makers.



Attingham Park, Shropshire.

Photo: Eric de Maré

TRAVEL

More tourists are visiting SKUKUZA (Kruger National Park) ...and HLUHLUWE (Home of the White Rhino) ...and TABLE MOUNTAIN (Cape Town) ...than ever before. All these places are in SOUTH AFRICA. A WORLD TOUR IN ONE COUNTRY. For information contact:



satur

South African Tourist Corporation, Dept 29/1, 13 Lower Regent Street, London SW1Y 4LR. Telephone 01-839 7462.

Fly South African Airways 747 Super 'B' every day of the week.

THE ITALIAN CITIES

In addition to Rome, Florence and Venice our booklet lists many of the smaller Italian towns, Siena, Assisi and Verona to mention only three. There are also suggestions for two and three centre holidays coupling the cities with the lakes and seaside resorts. Only the scheduled flights are used and our suggestions can be amended to fit your exact requirements. May we send you details? HAYES & JARVIS (TRAVEL) LTD, 6, Harrist Street, Belgravia, London, S.W.1. Tel: 01-235 4060 or 6675.

TAKE TIME OFF IN Paris Amsterdam Brussels Brugues Antwerp The Hague Individual Holidays TIME OFF LTD, 2a Chester Close, Chester St., London, S.W.1. 01-235 8070

FOREIGN HOTELS SWITZERLAND-AROSA, Hotel Valais, summer-winter, tennis, in- and outdoor pools, ice rink, sauna, etc. Tel: 74232.

BUILDING BUSINESS FOR SALE LOCATION WEST MIDLANDS The sale has the benefit of two sizeable contracts with local authorities in the course of progress and the company concerned has established a good relationship with various other local authorities both for traditional and systems housing. For further details write Box 7, 4519, Financial Times, 10, Cannon Street, EC4A 4B7.

MOTOR INSURANCE BROKERS with offices at prosperous sites in southern England. Very sound, established business with local authorities. We run good profits and steadily expanding. Annual brokerage over £150,000. Offers around £225,000 cash considered. Good assisting management. Letter from principals only please to: Box No. 74512, Financial Times, 10 Cannon Street, EC4A 4B7.

FABRICATION ENGINEERS General fabrication, structural steel work, plate work, sheet metal work, well equipped £15,000 sq. ft. works. In-care site, Cambridgeshire. Good labour relations. Tax losses well in excess of £100,000. For sale or merger with larger organisation. TEL. MR. JOHNSON CARLISLE (0228) 27851

Printing company required with factory in London area of 15,000 sq. ft. FOR MERGER OR ACQUISITION Turnover and profit immaterial. Strictest confidence assured. Please write to Managing Director, Box E.8948, Financial Times, 10, Cannon Street, EC4A 4B7, or telephone 61 68190 any evening after 8 p.m.

Bridge

Testing dummy

IN HIS new book, Test Your Match Play (Faber £4.50), H. W. Kelsey has presented in the setting of a team match 84 problems of dummy play and defence. You hold the South cards and are asked to solve the problems. After each eight boards you compare your scores with the par result, and Kelsey's clear analysis explains the right plays, and why you should have recognised them. First to test your dummy play:

W. N. ♠ Q 8 6 3 ♣ A K ♣ A J 4 ♣ A K 6

W. E. ♠ A K 9 ♠ J 10 3 ♠ 9 8 7 2 ♠ 5 ♠ K Q 10 7 3 ♠ 9 6 6 ♠ 10 ♠ Q J 8 5 4 3

S. ♠ 7 5 4 ♠ Q J 10 6 4 2 ♠ 5 ♠ 9 7 2

With North-South vulnerable West deals and hides one diamond, North doubles, and you reply with one heart. Your partner now rebids two no trumps, you rightly say four hearts, and all pass. West leads the club ten, dummy's Ace wins, and you cash the top hearts, and you cash the top hearts, and East discarding a club on the second. What is the correct continuation?

You have nine top tricks, and the spade Queen will surely

provide the tenth, as West must hold the Ace, King of the suit for his opening bid. But the 4-1 trump break is tricky. If you cash the diamond Ace, ruff a diamond, draw trumps, and lead a spade, West will be able to force out your last trump before you have set up the spade Queen. A low card in any side suit will be fatal, as East will obtain the lead, but there is one winning line. You must lead the Knave of diamonds. This will give the lead to West and enable you to retain control.

West takes his Queen, and returns the King. You duck in dummy, ruff in hand, and draw trumps, discarding a club and a spade from the table. West wins your spade lead, and continues with a diamond. Again you duck in dummy, ruff in hand with your last trump, and lead another spade. West wins, but dummy's Ace remains to control the diamond suit, and

your ten tricks are assured. In the other room against the lead of the diamond King, the declarer lost his way and went down.

We turn to defence:

W. N. ♠ K 9 8 4 ♠ 6 4 2 ♠ 2 ♠ K Q 10 9 2

W. E. ♠ 5 ♠ A J 10 2 ♠ K J 10 9 7 ♠ A Q ♠ 9 6 7 6 ♠ J 4 3 ♠ 7 ♠ A 6 5 4

S. ♠ Q 7 6 3 ♠ 8 ♠ A K Q 10 5 ♠ J 6 3

East deals at game to East-West and bids one club, you come in with one diamond, and West says three hearts, which the opener raises to four. Your partner leads the two of diamonds, clearly a singleton, and your ten wins. How should

Chess

and in the final round when he had already won the tournament. From a technical aspect, too, Romanishin showed an inventive and original approach which suggests that he will make his mark in theory textbooks as well as across the board.

In three of his games with Black he brought in a virtually new move in well-known lines of the French Defence 1 P-K4, P-K3; 2 P-Q4, P-Q4; 3 N-QB3 or N-Q4, and now 3... B-K2. The idea is to keep the flexibility of playing P-P or N-B3 according to how White replies; in the game Romanishin, the Cutty Sark Grand Prix winner tried to refute the novelty by aggressive play 3 N-QB3, B-K2; 4 P-K5, P-QN3; 5 P-KR4, but it missed after 5... B-R3; 6 Q-N4, B-KB1; 7 B-KN5, Q-Q2; 8 KN-K2, N-QB3; 9 R-R3, P-R3 and Black soon took the initiative and won the white OP.

Kagan, of Israel, who finished second and reached the norm for grandmaster, and Tarjan, the young American in third place, were the other two successes at P-QR4; 16 Q-N3, R-R2; 17 B-N11 Hastings, while Smyslov, the feisty ex-world champion, was plaited at a mating attack with Q-B2 forced the black knight into a passive defence, N-B1, B-P5, R-P4; 19 R-P4; P-P; 20 N-P4; way below par but will be discussed in next week's article; retreat, and his sole counter-

attacking route along the QR file is not by itself sufficient to trouble White, R-R6; 23 Q-N2, R(6)-R5; 24 N-Q6! (now the threat of NxBP obliges Black to allow his opponent a central king-side pawn). B-KN; 25 P-B3, Q-N1; 26 R-K3, B-R3; 27 Q-B2, R-R8; 28 P-Q7, Q-B2, 29 QxP, QxQ; 30 N-Q, RxB (both threatened); 31 RxB N-P; 32 R-QR3, B-N2; 33 R-R ch, BxR;

THE opening moves were 1 N-KB3, P-Q4; 2 P-Q4, N-KB3; 3 P-B4, P-K3; 4 B-N5, B-K2; 5 N-B3, Q-Q; 6 Q-B2, P-KR3; 7 B-N, B-R; 8 R-Q1, P-B3; 9 P-K4, Romanishin's favourite way of playing the Queen's Gambit; he prefers to operate in the centre rather than with the traditional plans of a queen's side pawn attack or castling long with attack on the king.

9... P-QN3; 10 B-Q3, P-KP; 11 B-P, B-N2; 12 Q-Q, N-Q2; 13 P-QN4 (a change of plan; Black's QB is badly placed so second and reached the norm for grandmaster, and Tarjan, the young American in third place, were the other two successes at P-QR4; 16 Q-N3, R-R2; 17 B-N11 Hastings, while Smyslov, the feisty ex-world champion, was plaited at a mating attack with Q-B2 forced the black knight into a passive defence, N-B1, B-P5, R-P4; 19 R-P4; P-P; 20 N-P4; way below par but will be discussed in next week's article; retreat, and his sole counter-

Chess

attacking route along the QR file is not by itself sufficient to trouble White, R-R6; 23 Q-N2, R(6)-R5; 24 N-Q6! (now the threat of NxBP obliges Black to allow his opponent a central king-side pawn). B-KN; 25 P-B3, Q-N1; 26 R-K3, B-R3; 27 Q-B2, R-R8; 28 P-Q7, Q-B2, 29 QxP, QxQ; 30 N-Q, RxB (both threatened); 31 RxB N-P; 32 R-QR3, B-N2; 33 R-R ch, BxR;

THE opening moves were 1 N-KB3, P-Q4; 2 P-Q4, N-KB3; 3 P-B4, P-K3; 4 B-N5, B-K2; 5 N-B3, Q-Q; 6 Q-B2, P-KR3; 7 B-N, B-R; 8 R-Q1, P-B3; 9 P-K4, Romanishin's favourite way of playing the Queen's Gambit; he prefers to operate in the centre rather than with the traditional plans of a queen's side pawn attack or castling long with attack on the king.

9... P-QN3; 10 B-Q3, P-KP; 11 B-P, B-N2; 12 Q-Q, N-Q2; 13 P-QN4 (a change of plan; Black's QB is badly placed so second and reached the norm for grandmaster, and Tarjan, the young American in third place, were the other two successes at P-QR4; 16 Q-N3, R-R2; 17 B-N11 Hastings, while Smyslov, the feisty ex-world champion, was plaited at a mating attack with Q-B2 forced the black knight into a passive defence, N-B1, B-P5, R-P4; 19 R-P4; P-P; 20 N-P4; way below par but will be discussed in next week's article; retreat, and his sole counter-

attacking route along the QR file is not by itself sufficient to trouble White, R-R6; 23 Q-N2, R(6)-R5; 24 N-Q6! (now the threat of NxBP obliges Black to allow his opponent a central king-side pawn). B-KN; 25 P-B3, Q-N1; 26 R-K3, B-R3; 27 Q-B2, R-R8; 28 P-Q7, Q-B2, 29 QxP, QxQ; 30 N-Q, RxB (both threatened); 31 RxB N-P; 32 R-QR3, B-N2; 33 R-R ch, BxR;

THE opening moves were 1 N-KB3, P-Q4; 2 P-Q4, N-KB3; 3 P-B4, P-K3; 4 B-N5, B-K2; 5 N-B3, Q-Q; 6 Q-B2, P-KR3; 7 B-N, B-R; 8 R-Q1, P-B3; 9 P-K4, Romanishin's favourite way of playing the Queen's Gambit; he prefers to operate in the centre rather than with the traditional plans of a queen's side pawn attack or castling long with attack on the king.

9... P-QN3; 10 B-Q3, P-KP; 11 B-P, B-N2; 12 Q-Q, N-Q2; 13 P-QN4 (a change of plan; Black's QB is badly placed so second and reached the norm for grandmaster, and Tarjan, the young American in third place, were the other two successes at P-QR4; 16 Q-N3, R-R2; 17 B-N11 Hastings, while Smyslov, the feisty ex-world champion, was plaited at a mating attack with Q-B2 forced the black knight into a passive defence, N-B1, B-P5, R-P4; 19 R-P4; P-P; 20 N-P4; way below par but will be discussed in next week's article; retreat, and his sole counter-

attacking route along the QR file is not by itself sufficient to trouble White, R-R6; 23 Q-N2, R(6)-R5; 24 N-Q6! (now the threat of NxBP obliges Black to allow his opponent a central king-side pawn). B-KN; 25 P-B3, Q-N1; 26 R-K3, B-R3; 27 Q-B2, R-R8; 28 P-Q7, Q-B2, 29 QxP, QxQ; 30 N-Q, RxB (both threatened); 31 RxB N-P; 32 R-QR3, B-N2; 33 R-R ch, BxR;

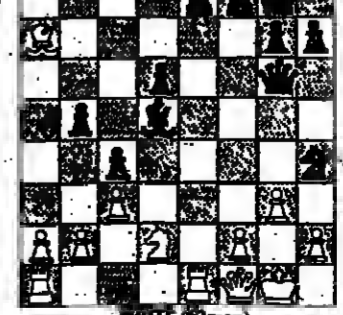
THE opening moves were 1 N-KB3, P-Q4; 2 P-Q4, N-KB3; 3 P-B4, P-K3; 4 B-N5, B-K2; 5 N-B3, Q-Q; 6 Q-B2, P-KR3; 7 B-N, B-R; 8 R-Q1, P-B3; 9 P-K4, Romanishin's favourite way of playing the Queen's Gambit; he prefers to operate in the centre rather than with the traditional plans of a queen's side pawn attack or castling long with attack on the king.

9... P-QN3; 10 B-Q3, P-KP; 11 B-P, B-N2; 12 Q-Q, N-Q2; 13 P-QN4 (a change of plan; Black's QB is badly placed so second and reached the norm for grandmaster, and Tarjan, the young American in third place, were the other two successes at P-QR4; 16 Q-N3, R-R2; 17 B-N11 Hastings, while Smyslov, the feisty ex-world champion, was plaited at a mating attack with Q-B2 forced the black knight into a passive defence, N-B1, B-P5, R-P4; 19 R-P4; P-P; 20 N-P4; way below par but will be discussed in next week's article; retreat, and his sole counter-

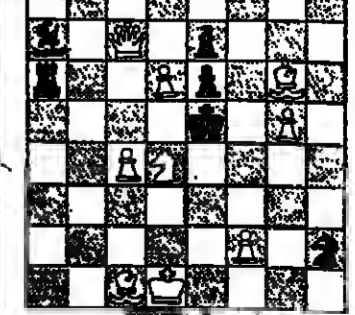
attacking route along the QR file is not by itself sufficient to trouble White, R-R6; 23 Q-N2, R(6)-R5; 24 N-Q6! (now the threat of NxBP obliges Black to allow his opponent a central king-side pawn). B-KN; 25 P-B3, Q-N1; 26 R-K3, B-R3; 27 Q-B2, R-R8; 28 P-Q7, Q-B2, 29 QxP, QxQ; 30 N-Q, RxB (both threatened); 31 RxB N-P; 32 R-QR3, B-N2; 33 R-R ch, BxR;

THE opening moves were 1 N-KB3, P-Q4; 2 P-Q4, N-KB3; 3 P-B4, P-K3; 4 B-N5, B-K2; 5 N-B3, Q-Q; 6 Q-B2, P-KR3; 7 B-N, B-R; 8 R-Q1, P-B3; 9 P-K4, Romanishin's favourite way of playing the Queen's Gambit; he prefers to operate in the centre rather than with the traditional plans of a queen's side pawn attack or castling long with attack on the king.

POSITION No. 151 BLACK (11 moves)



PROBLEM No. 151 BLACK (6 moves)



White mates in two moves, against any defence (by Ertel).

Solutions Page 2

Handwritten text at the bottom of the page, possibly a signature or note.

How to spend it

Knit one...

MANY READERS write and ask if I could give them dress or knitting patterns but usually I feel the selection already available is so good that this page can contribute little that is new or different. However, this poncho, designed for us by Sirdar, seems to me to be just the sort of thing that many of you would like to knit.

For one thing, it is really very easy (the only remotely difficult part is picking up the stitches to knit the borders). It is knitted in one great straight piece, apart from the hood, and almost all the knitting is done in garter stitch. January may seem a strange time to start knitting but this poncho is an all-the-year-round garment. In my view it combines all the practical qualities of the cardigan—in that it is easy and light to carry and to wear, provides instant protection from cold or draughts—with the more glamorous qualities of the true poncho.

As you can see from the photographs it can be worn in many different ways. If you prefer to have more of a sleeve rather than open sides it is a very easy matter to add a button or a toggle on each side and make a button-hole. You can wear it straight and loose over week-end jeans, or, if you

have a slim waist, you can wrisp over the loose sides and fasten them with a colourful belt. The hood can be worn loose or up.

There is virtually no sewing-up to do—just the hood needs to be sewn in. There is very little fiddly shaping to do as the poncho fits everybody except the very large or very tiny. The only shaping needed is round the neckline.

Using Sirdar Pullman wool, made from 100 per cent pure new wool which costs 49p per 50g ball, it will cost you £19.66 in materials. The Pullman range of wools is particularly nice because there are some very attractive tweedy colour combinations. The colourway we chose was a tweedy mixture of grey, charcoal, green and red, all subtly intertwined, and then edged with a toning clear red border. However there are eight other tweeds to choose from and 23 plains.

For those for whom practicality is very important the poncho can be knitted in wash wear Chunky wool (also by Sirdar) which would take some £2.50 off the cost and would mean the whole garment is machine washable.

The knitting yarn can be bought from all major knitting yarn shops, including Dickins and Jones and D. H. Evans in London. Good knitting!



Left, the poncho as a substitute coat or cardigan. With it our model wears a selection of accessories from Fenwick's of New Bond Street, London, W.1. The plish red ribbed 100 per cent wool scarf is 8 feet long and costs £2.95. The Fishingers, Birdseye gloves, are in yellow with black and red decoration and cost £1.95 the pair, while her wool leg warmers come in a variety of patterns for £2.95. Above, left, our model has crossed over the aida and fastened them with a colourful ethnic belt of her own. Above, right, is a detail showing the hood and the fastening while below, right, is a diagram showing the simplicity of the design.

THE PATTERN

Materials

36 balls of Sirdar Pullman in main shade, 5 balls in contrast, 1 pair No. 3 knitting needles (try to get the maximum length—16 inches—and if you have difficulty keeping all the stitches on the needles, use two pairs, with the stitches on three needles and knitting with the fourth), 14 ins (36 cms) seam binding (optional).

Measurements

Length: 34 inches (86 cms).
Width: 40 inches (102 cms).

Tension

Seven stitches to 2 inches (5 cms).

Abbreviations

K, knit; p, purl; st(s), stitch(es); g-st, garter stitch (which is every row-knit); tog, together; dec, decrease by working 2 sts tog; inc, increase by working twice into 1 st.

Main part

Beginning at lower edge of back, cast on 140 sts with contrast. Knit 6 rows, decreasing at both ends of the 2nd and every alternate row, —134 sts. Change to main shade. Proceeding in g-st, continue until work measures 34 ins (86 cms) in all.

SHAPE NECK

Next row: K 57, cast off next 20 sts, k to end. Proceed on 1st set of 57 sts for 1st side. K 6 rows without shaping. Work 14 rows, increasing at neck edge on the 2nd and every alternate row, — 64 sts.

Proceed until work measures

33 ins (84 cms) from back of neck, finishing after a wrong side row. Change to contrast. Knit 6 rows, increasing at both ends of

the 1st and every alternate row, — 70 sts. Cast off loosely purlwise on the right side of work.

Join yarn to inner edge of remaining sts and work 2nd front to correspond, reversing shapings.

WORK FRONT BORDERS. With right side of work facing, using main shade, k up 105 sts evenly along main edge of front. To do this, mark with pins say four equal sections of the front and try to pick up an equal amount of stitches per section to complete the total. Change to contrast. Purl 6 rows, increasing at lower edge on the 1st and every alternate row. Cast off loosely knitwise on the wrong side. Work 2nd front border in the same way.

WORK SIDE BORDERS. Fold work in half and mark shoulder line. With right side of work facing, using main colour, k up 118 sts evenly along main edge of right side back as far as shoulder. Change to contrast. Purl 6 rows, increasing at lower edge on the 1st and every alternate row. Cast off loosely knitwise on the wrong side. Now, with right side of work facing, using main colour, beginning at shoulder, k up 116 sts evenly along main edge of right side front. Complete to match edge

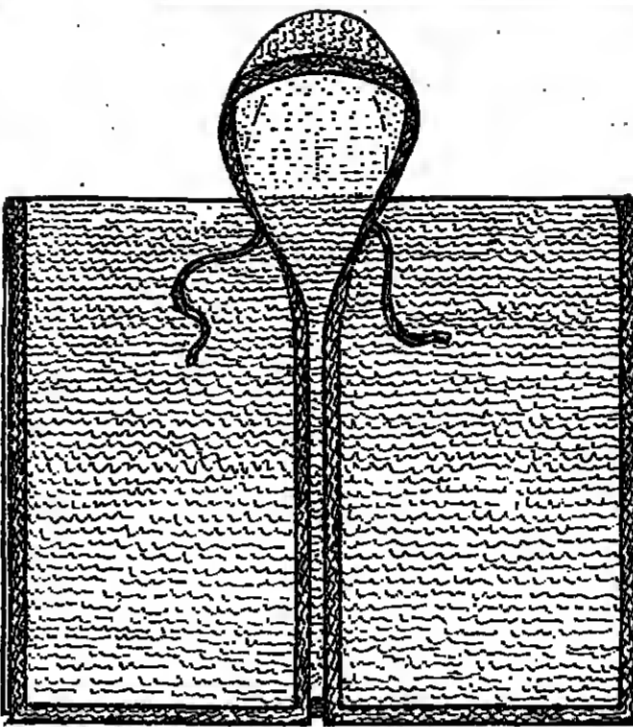
of back, reversing shaping. Complete left side borders to correspond.

Hood
Cast on 27 sts with main colour. Work 10½ ins (27 cms) in g-st. Dec at beginning of next and every alternate row until 21 sts remain. Work 1 row. Dec at shaped edge on every row until 13 sts remain.

Work 2 rows.
Now inc at shaped edge on every row until there are 21 sts, then inc at shaped edge on next and every alternate row until there are 27 sts. Work 1 row.

WORK HOOD BORDER. With right side of work facing, using main colour, k up 95 sts along edge of hood. Change to contrast. Purl 6 rows. Cast off knitwise on the wrong side.

To make up
Press parts on the wrong side under a damp cloth. Join corners and shoulder seams of borders. Fold hood in half and join back seam. Sew neck edge of hood to neck edge of poncho, and face seam with seam binding to prevent stretching. Press seams. Sew a twisted cord in contrast colour 14 inches (36 cms) long, each side of neck.



Pictures by Trevor Humphries

Eggperiment

BY PHILIPPA DAVENPORT

WHEN YOU want a cheap, quick stirring poached omelette and nutritious meal, nothing beats an egg. Eggs are larder fodder, permanently on hand, Hero's canned ratatouille and the ideal candidate for deep fry instead of holling the emergency meals—when you forget to stir. Break the egg into a whirlpool of hot fat, turn with a spoon to keep the egg shape and return from the movies, when you have 'flu symptoms and can't face the idea of going cook more than one egg at a shopping, or when you feel frankly lazy and can think of nothing nicer than supper on the tray with a good book or the price of eggs always drops at this time of year—yet another reason for making good use of them just now.

Really fresh eggs boiled, scrambled or cooked en cocotte are excellent but (stupidly perhaps) I somehow feel guilty if I serve such a simple dish for a main meal. But I feel quite justified in offering a perfectly cooked soufflé probably because I kid myself that its impressive looks imply that I have made much more effort of course but three eggs does make a delicious supper for two, particularly if accompanied by crisply grilled hacon rolls, grilled tomatoes and hot French bread.

Smoked haddock omelette is equally popular in my household. I take the easy way out and use half-in-the-bag fillets and plenty of fresh parsley for the filling. There are eggshakes or omelette and spring onions until golden, pour on the eggs and cook until the base is set, then sprinkle with a little Parmesan cheese and finish off under the grill.

Soft-boiled eggs buried in a sauce and garnished with triangles of fried bread are quick and delicious. Here are a few examples. Mexican eggs rely on store cupboard ingredients for speedy results. Make a cheese sauce, stir in a can of drained sweetcorn kernels and can of drained sliced mushrooms in pimento and pour over the soft-boiled eggs. Matthew's eggs are covered in a sauce made by

stirring poached omelette and nutritious meal, nothing beats an egg. Eggs are larder fodder, permanently on hand, Hero's canned ratatouille and the ideal candidate for deep fry instead of holling the emergency meals—when you forget to stir. Break the egg into a whirlpool of hot fat, turn with a spoon to keep the egg shape and return from the movies, when you have 'flu symptoms and can't face the idea of going cook more than one egg at a shopping, or when you feel frankly lazy and can think of nothing nicer than supper on the tray with a good book or the price of eggs always drops at this time of year—yet another reason for making good use of them just now.

Really fresh eggs boiled, scrambled or cooked en cocotte are excellent but (stupidly perhaps) I somehow feel guilty if I serve such a simple dish for a main meal. But I feel quite justified in offering a perfectly cooked soufflé probably because I kid myself that its impressive looks imply that I have made much more effort of course but three eggs does make a delicious supper for two, particularly if accompanied by crisply grilled hacon rolls, grilled tomatoes and hot French bread.

Smoked haddock omelette is equally popular in my household. I take the easy way out and use half-in-the-bag fillets and plenty of fresh parsley for the filling. There are eggshakes or omelette and spring onions until golden, pour on the eggs and cook until the base is set, then sprinkle with a little Parmesan cheese and finish off under the grill.

Soft-boiled eggs buried in a sauce and garnished with triangles of fried bread are quick and delicious. Here are a few examples. Mexican eggs rely on store cupboard ingredients for speedy results. Make a cheese sauce, stir in a can of drained sweetcorn kernels and can of drained sliced mushrooms in pimento and pour over the soft-boiled eggs. Matthew's eggs are covered in a sauce made by

stirring poached omelette and nutritious meal, nothing beats an egg. Eggs are larder fodder, permanently on hand, Hero's canned ratatouille and the ideal candidate for deep fry instead of holling the emergency meals—when you forget to stir. Break the egg into a whirlpool of hot fat, turn with a spoon to keep the egg shape and return from the movies, when you have 'flu symptoms and can't face the idea of going cook more than one egg at a shopping, or when you feel frankly lazy and can think of nothing nicer than supper on the tray with a good book or the price of eggs always drops at this time of year—yet another reason for making good use of them just now.

Really fresh eggs boiled, scrambled or cooked en cocotte are excellent but (stupidly perhaps) I somehow feel guilty if I serve such a simple dish for a main meal. But I feel quite justified in offering a perfectly cooked soufflé probably because I kid myself that its impressive looks imply that I have made much more effort of course but three eggs does make a delicious supper for two, particularly if accompanied by crisply grilled hacon rolls, grilled tomatoes and hot French bread.

Smoked haddock omelette is equally popular in my household. I take the easy way out and use half-in-the-bag fillets and plenty of fresh parsley for the filling. There are eggshakes or omelette and spring onions until golden, pour on the eggs and cook until the base is set, then sprinkle with a little Parmesan cheese and finish off under the grill.

Soft-boiled eggs buried in a sauce and garnished with triangles of fried bread are quick and delicious. Here are a few examples. Mexican eggs rely on store cupboard ingredients for speedy results. Make a cheese sauce, stir in a can of drained sweetcorn kernels and can of drained sliced mushrooms in pimento and pour over the soft-boiled eggs. Matthew's eggs are covered in a sauce made by

stirring poached omelette and nutritious meal, nothing beats an egg. Eggs are larder fodder, permanently on hand, Hero's canned ratatouille and the ideal candidate for deep fry instead of holling the emergency meals—when you forget to stir. Break the egg into a whirlpool of hot fat, turn with a spoon to keep the egg shape and return from the movies, when you have 'flu symptoms and can't face the idea of going cook more than one egg at a shopping, or when you feel frankly lazy and can think of nothing nicer than supper on the tray with a good book or the price of eggs always drops at this time of year—yet another reason for making good use of them just now.

Really fresh eggs boiled, scrambled or cooked en cocotte are excellent but (stupidly perhaps) I somehow feel guilty if I serve such a simple dish for a main meal. But I feel quite justified in offering a perfectly cooked soufflé probably because I kid myself that its impressive looks imply that I have made much more effort of course but three eggs does make a delicious supper for two, particularly if accompanied by crisply grilled hacon rolls, grilled tomatoes and hot French bread.

Find your face

MOST PEOPLE who've ever thought cosmetics have realised that the great flaw, from the consumer's point of view, is the way they're sold. All the counters are laid out according to manufacturer. This means you cannot ask for advice without first having had to commit yourself to one or other of the beauty houses.

Joan Price's Face Place, which first started to offer independent advice way back in the late 1960s, was a milestone in that it genuinely offers what it thinks is best from a wide selection of products from many beauty houses.

From Monday Selfridges is running a similar scheme in that for a fortnight customers can freely dabble in the products from 18 different beauty houses. Under the guidance of Face Place girls customers will be absolutely free to try out any product they fancy. Though some of the counters will be arranged according to manufacturer (though in order to make clear the experimental nature of the exercise nobody will be able to buy from them—if you want to buy you'll have to go downstairs) there will also be a central area where all the beauty creams and potions will

be organised according to function—moisturisers on one table, foundations and another. Joan Price herself and three of her Face Place girls will be there to give advice on whatever beauty treatments or aspects you like. For those who find it embarrassing to ask for advice and not to buy afterwards this is the perfect opportunity to go along to Selfridges—if you want to buy you can (but only downstairs).

Beauty Playground, as this special exercise is called, is on from Monday, January 31, until Saturday, February 12.

From Monday Selfridges is running a similar scheme in that for a fortnight customers can freely dabble in the products from 18 different beauty houses. Under the guidance of Face Place girls customers will be absolutely free to try out any product they fancy. Though some of the counters will be arranged according to manufacturer (though in order to make clear the experimental nature of the exercise nobody will be able to buy from them—if you want to buy you'll have to go downstairs) there will also be a central area where all the beauty creams and potions will

be organised according to function—moisturisers on one table, foundations and another. Joan Price herself and three of her Face Place girls will be there to give advice on whatever beauty treatments or aspects you like. For those who find it embarrassing to ask for advice and not to buy afterwards this is the perfect opportunity to go along to Selfridges—if you want to buy you can (but only downstairs).

Beauty Playground, as this special exercise is called, is on from Monday, January 31, until Saturday, February 12.

ADEPTUS BEDSIT

An economical range of convertible sleeping units with single, double and cover units all easily converted into comfortable full length beds. Choice in a choice of 20 hand-made beds. Delivery from UK takes 2-3 weeks. See Bristol and many other dealers at your nearest Adeptus showroom. London: 01-262 0336/01-212-359 6791. Bristol: 0272-297364. Birmingham: 021-425 4211. Manchester: 061-425 852.

...stitch one

SOME readers may remember Richard Adla as the man who designed the tapestry which in turn covered and thus made the Harrods brick (forming the ultimate tourist gift, a Harrods parcel). It was a good idea, very popular with Harrods shoppers, and is typical of his light-hearted approach to needlepoint design.

Richard Adla is an American who now lives in this country (with his English wife) and he looks at needlepoint rather like a textile designer—he sees things in bold and beautiful colours and seems to have an urgent desire to inject life, interest and much more decorative style into the rather pallid world that has spent needlepoint until now.

He started by designing kits for his wife and when their friends admired them and remarked that there was nothing like them on the market he decided to design on a larger scale. The Harrods brick kit was just one of his ideas. He has also done a racquet cover for Harpers/Queen, bricks for Pepsi-Cola, and so on. These were all part of his collection called "1976 Britain as seen through the eye of a needle."

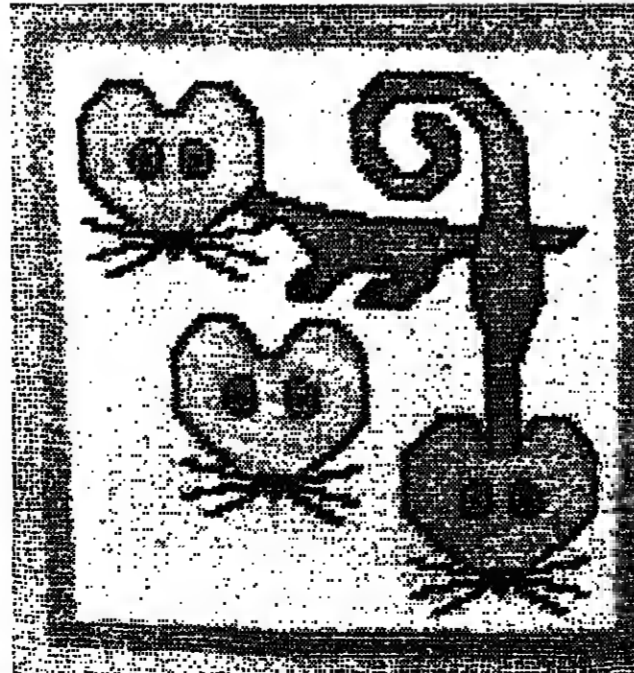
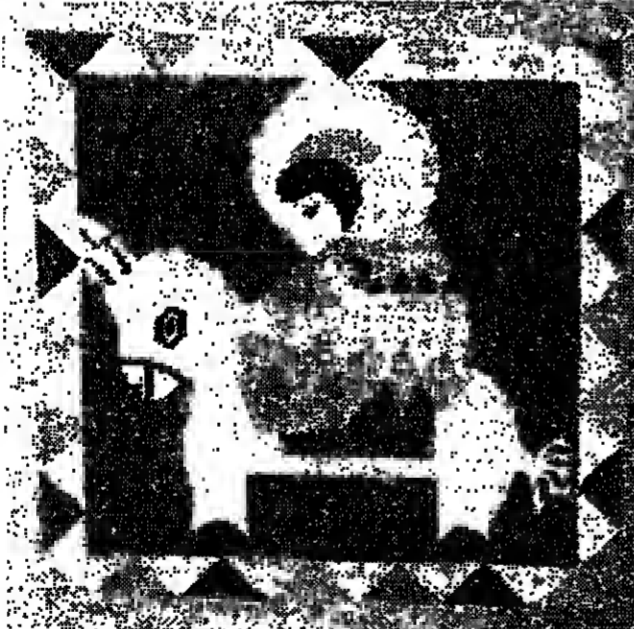
Here we show three of his very latest designs. They all have in common a great love of colour, a high sense of style and the precious extra ingredient of being "different" from the rest of the kits on the market. Primarily, Richard Adla wants to see the made-up designs for women to find needlepoint fun. He wants women to find his kits so exciting to do that they can't wait to finish the object in hand so as to have it in their sitting-room, kitchen, bedroom or wherever. He wants them to add a dimension to the home and not to be just dreary bits of sewing.

grapha that they are "different." The colours, especially in the mice and Mexican Madonna, are particularly stunning, the monogrammed mosaic being more restrained, more suitable for a traditional sitting-room.

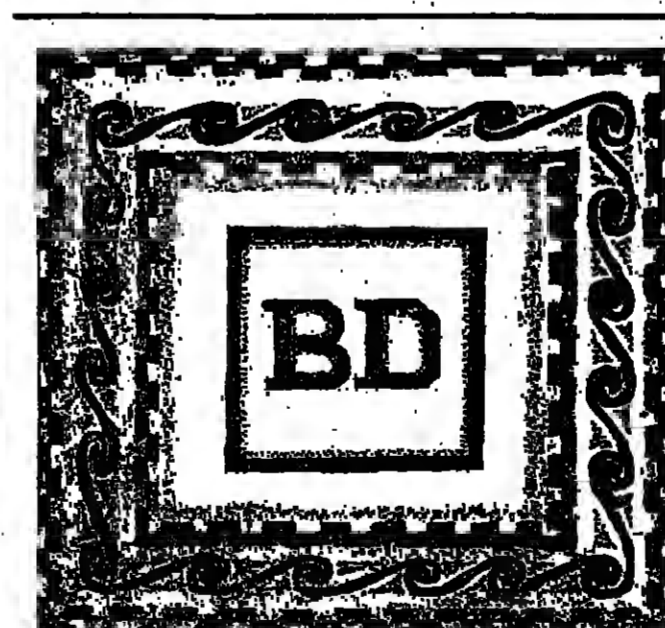
Richard Adla is selling the kits in complete packages. Each price quoted in the captions includes VAT and postage and packing. The kit includes all the wool necessary, the printed canvas (this makes it very easy to follow the patterns as there is no counting of threads or stitches), instructions and the needle. All his kits depend on one stitch—a tent stitch (for which he gives instructions) rather than the half cross-stitch that most other people recommend.

The tent stitch is not only fast and easy to do but it covers both sides of the canvas equally (which half cross-stitch does not) thus giving a much more durable woven fabric. This is particularly important if the finished article is going to be used as a cushion-cover, footstool cover or whatever. This stitch, naturally, uses far more wool than other stitches but the kits provide ample wool to complete the design.

If you would like to try any or all of the kits send a cheque directly to Richard Adla Needlepoint, The Studio, Upper Wardington, near Banbury, Oxfordshire. Delivery will be within three weeks. If you would like to see the made-up designs for women to find needlepoint fun, yourself first there are completed samples at Women's Home Industries, 85, Piccadilly, London SW1. They do not open on Saturdays but will open Monday to Friday from 9.30 a.m. to 5.00 p.m. You may add a dimension to the home and not to be just dreary bits of sewing. Even though we cannot show the colours of his kits I think you can see from the photographs that they are "different."



LEFT The Mexican Madonna is my favourite of the collection and is an almost abstract but very colourful representation of the virgin on a donkey. For this canvas there are 14 stitches to the inch and Anchor tapestry wool is used. There is a midnight blue background with shades of violet, pink, turquoise, yellow and gold used for the rest of the canvas. The use of colour in the Madonna is stunning, having some of the air of Mexican art. In all nine colours are used. The finished size is 13 inches by 13 inches, sewing hours would be about 40 and the price is £10.50.



Monogrammed Mosaic is a more geometric design especially suitable as a cushion cover. The design has a space in the centre which allows each customer to use her own initials and each kit includes two complete alphabet designs from which the initials can be chosen. The letters need to be slotted behind the canvas and from this the initial can be lightly pencilled onto the canvas. The mosaic is an 11-stitch-to-the-inch canvas and Anchor tapestry wool is used. There are two different colourways—one uses three different shades of blue with a light yellow and light blue background, the other is in browns, rust and cream on a cream background. The size is 14 inches by 14 inches and to finish the work would take about 3½ sewing hours. The price is £10.50.

LEFT The Mice, designed by Richard Adla's daughter, Anabelle, aged 8, is a lovely, happy colourful canvas which you can either frame or turn into a cushion, or a child's headboard, or anything else that takes your fancy. It is slightly easier to do than the others, since it uses 10 stitches to the inch and uses Persian yarn which is heavier—thus the work seems to go quicker. The background is white, there's a lime green border and the three mice are picked out in turquoise, yellow and pink with green bodies. The size is 11 inches by 11 inches and the Atlas reckon the total sewing time to be about 20 hours. The price is £7.50.

The Garrard Silver Jubilee Clock

To commemorate the Silver Jubilee of Her Majesty The Queen, this superb 28-day triple chiming Clock with a hand-finished triple fusee movement has been specially commissioned by Garrard from the world-famous makers F. W. Elliott, Handle, feet and finely-engraved dial, in sterling silver with the 1977 Silver Jubilee hall-mark, are set in a mahogany case 15 inches high, including the handle. This is a strictly limited edition of 250, each individually numbered, with a signed Certificate of Authenticity. Price £975.

The Clock may be examined in the Garrard showroom, and an illustrated brochure will be sent on request.

GARRARD

The Crown Jewellers

112 REGENT STREET • LONDON W1A 2J • TELEPHONE: 01-234 7020

سكنا من الاصل

The Arts

Der Freischütz

BY RONALD CRICHTON

The Royal Opera celebrates last year's Weber anniversary not with Oberon, the English magic opera Weber wrote for the old theatre on this site, nor with *Euryanthe*, his finest work, yet fraught with difficulties for producers, but the once popular and still, rarely staged, *Der Freischütz*. This ultra-romantic story of black arts deep in the Teutonic forests added a new colour to European music—Berlioz and Wagner are only the two most obvious examples of composers who felt the power and originality of Weber's score—quicker rather than slower—than contradicted by the fact that *Der Freischütz* is popular also in the wider sense, rooted in the tales, songs and superstitions of peasants and huntsmen.

Like *Oberon* and *Euryanthe*, *Freischütz* has problems for today's interpreters. There is much spoken dialogue, especially in the earlier scenes, necessary for understanding the plot, but a loss to the majority of the audience when given as it is at Covent Garden in German and not exactly intelligible when translated into English. There is the question of the magic—in the famous Wolf's Glen scene especially—no longer so intractable as it once was, but when the key to such things was felt to have been mislaid, hit nevertheless difficult. Finally there is the bright contrasting side, the improbably idyllic, idealised woodland life against which Weber and his librettist deliberately set the darker aspect of the action.

Thursday night's new production at Covent Garden, which we now to "a substantial donation" from the Dresdner Bank, is in the hands of Covent Garden's music director, Colin Davis, and chief producer, Güntz Friedrich. Some of the problems are solved, others side-stepped by the producer latching on to some remarks by Weber about having set the opera not in his own time but after the Thirty Years' War. So we are treated by Mr. Friedrich and his designer Günther Schneider + Siemens (the good costumes are by Aliette Mecozzi) to an elaborate display of post-war devastation in the blasted trees and rubble of the village—yet another glimpse of the world of Mother Courage, but rather resembling *Les Sylphides* after a tornado.

Weber is proved to have been more modern (in a very important thing) than he knew. The merry peasantry are shown realistically as dilly and brutish, the princely party in the last scene sent up in the skies, the hermit whose intervention sets things moving, in a drop-out compulsively

anxious to touch people, making them kneel and then rise again—a tie induced by long spells of solitude? Some of these works, some doesn't. The devastation *Euryanthe*, his finest work, yet even hinted at by the music. Weber, who showed in *Euryanthe* how well he could paint a sick atmosphere, in *Freischütz* employs radiant major keys for the goodness of his heroine Agathe and for the happy rural life, in order to contrast the more forcibly with the minor-key music for the world of the spirits—the matter is fully discussed in the relevant chapter of John Warrack's invaluable biography *Carl Maria von Weber*, available in a second, revised edition from Cambridge University Press.

The Wolf's Glen scene staged as a vast, airy tribute to the world of Arthur Rackham's illustrations, comes off pretty well. It is, though, more entertaining than frightening: Glyndebourne Touring Company's simpler, more abstract version of the scene captured more of the music's still genuine thrill of terror. Colin Davis gives a subdued reading, with beautiful but hazy Berliozian washes. The clarinet (which can make such an effect) which Caspar recites his list of grisly ingredients for the casting of the magic bullets, were barely audible. One felt sorry for Caspar struggling to light a fire in what appeared to be the head of a rustic (or, in the driving rain, the front projections are too insistent). The feeling that he was himself terrified, that the whole process was unutterably squalid, is among the better things in the evening.

There was much finely tempered orchestral playing, though the general impression on Thursday was low-keyed not only in the Wolf's Glen

Weber's pronounced sense of instrumental timbre, so much admired by later composers, was certainly not over-emphasised. The principal part of Max, the weak young forester who conceals magic bullets in order to be sure of winning his bride, is taken by René Kollo. A lyric tenor is an advantage in Max's aria "Durch die Wälder"; elsewhere something heavier is required than was forthcoming here. Apart from a tendency to cast spangle eyes Heavenwards, Mr. Kollo acted with aplomb. As Caspar, Max's evil genius, the admirable bass Kurt Moll made a belated Covent Garden debut. Though the splendid voice did not ring out as grandly as one hoped (nobody's did—is there something damping about the sets?), we shall want to hear him often again.

Another debut was that of Hannelore Bodo as Agathe, the girl whom Max feared to lose to Caspar. Miss Bodo, who sang Sieglinde at Bayreuth last season, is a competent, good-looking performer, but her actual singing rarely rose above the mediocre and sometimes, as in the quick section of her big aria, fell below it. Mr. Davis did not help by taking this so nostalgic and safe experience to see these many examples of the enthusiastic Marcus Binney, the exhibition of the *Freischütz* singing railway architecture. They state the purpose is "to make you angry."

Certainly the figures quoted are substantial. "Of the 3,589 stations closed since the Beeching Report of 1963, only 1,570 have been subsequently sold." But this doesn't seem to me to be a had proportion when one considered how many of the remainder are in unsuitable locations for restoration where the only use for them would be commercial or industrial; in which case there would be no incentive to maintain them in any but the most economically practical way.



Alton Towers Station, converted into a dwelling-house by the Landmark Trust.

Off the Rails

BY H. A. N. BROCKMAN

The present exhibition at the RIBA's Heinz Gallery, 21 Portico Square is open until March 11 from 11.00 a.m. to 5.00 p.m. It is a nostalgic and safe experience to see these many examples of the enthusiastic Marcus Binney, the exhibition of the *Freischütz* singing railway architecture. They state the purpose is "to make you angry."

Certainly the figures quoted are substantial. "Of the 3,589 stations closed since the Beeching Report of 1963, only 1,570 have been subsequently sold." But this doesn't seem to me to be a had proportion when one considered how many of the remainder are in unsuitable locations for restoration where the only use for them would be commercial or industrial; in which case there would be no incentive to maintain them in any but the most economically practical way.

The obvious use for the vast beam roof since the Middle Ages. It is a simple timber roof of great span but the hammer only function as decorative pendants and have no significant structural purpose.

The exhibition is worthwhile in showing so many examples of small station buildings which could yet be saved for domestic use and, apart from the large works, represent a remarkable cross section of the work of Victorian stylists who designed so charmingly in the manner selected by those many railway companies of the time to use their buildings as a hallmark to distinguish them from their competitors.

Arts news in brief

The National Theatre will open its third and final auditorium on Friday, March 4, with Ken Campbell's *Thaminius*. This begins at 2 p.m., and continues until about 10.00 p.m. with three intervals. It will be presented on Fridays, Saturdays and Sundays only for four week-end.

It was reviewed from Liverpool on this page on November 30.

Hans Werner Henze has agreed to conduct the new production by Güntz Friedrich of Mozart's *Die Zauberflöte*, at the Hamburg State Opera, opening on April 17, 1977. The designer

Wagner classes in the North-east

Friedrich Wagner, grand-daughter of Richard Wagner, plans to establish the Friedelind Wagner Master Classes in an old vicarage at Nottow in Cleveland. The Job Creation Programme is to provide the project's trustees with a grant of over £5,000.

With this money, an administrator can be employed who will organise the collection of furniture and equipment for the centre

and make arrangements for students and staff. It is hoped that classes may begin in October.

Leonard Rossiter will return to the West End next week to repeat his performance in the comedy *The Frontiers of Force*. It opens at the Criterion Theatre on Tuesday, February 3, and not return to the Old Vic as initially expected.

Theatres this week

ROUND HOUSE — *Flowers*. Lindsay Kemp's fantasia on a theme of Genet, for Lindsay Kemp fans. Opened Monday.

BUSH — *German Sherries*. Sensitive and beautifully-played piece about four ordinary people in Teesdale. Well worth the journey to Shepherd's Bush. Opened Tuesday.

OLIVIER — *Tales from the Vienna Woods*. Splendid production of Horvath's ironic romance showing off the resources of the National properly displayed at last. Not to be missed. Opened Wednesday.

THEATRE UPSTAIRS — *Traps*. Brisk piece about life in a commune completely devoid of coherent plot. Opened Thursday.



Experience and Expertise . 287

Venice has always been considered the fountainhead of the revival of glassmaking in Western Europe, and documentary evidence dating from the early 13th century shows that a glassmaker's guild was already in existence. However, no glass of this period has survived and the earliest known examples of Venetian glass date from the 15th century.

From the 16th century onwards owing to the popularity of Venetian glass throughout Europe, a large-scale exodus of Venetian glassmakers took place, lured by promises of richer rewards, to other countries. Perhaps the most famous of these glassmakers being Giacomo Verzellini who came to England via Antwerp in 1571. Recent study has revealed that much glass, that was at the end of the last century, considered of Venetian manufacture derives from a wide range of glass-houses scattered over the Low Countries and the Rhine Valley. Therefore, although it is relatively easy to date a piece with some accuracy, the question of the glass's precise origin is far more complex. The rare tattieino bell illustrated above shows the complexity of origin since, though the glass is typical of that produced in Venice, the silver mount is most probably German and one may therefore presume that this bell was indeed produced by one of these emigrant workers.

This bell is perhaps one of the most charming items from the fine collection of Façon-de-Venise glass of the 16th and 17th centuries formed by John Malcolm of Poltalloch (1805-1883) which is being offered for sale on February 8th. For further information on sales of Glass, Art Nouveau, Art Deco and Paperweights, please contact Rachel Russell at the address above.

Glendinings

Specialists in the Sale by Auction of Coins and Medals

- Wednesday, 2nd February, at 10.30 a.m. **ANCIENT COINS** in gold, silver and bronze (Illustrated Catalogue (8 Plates)—Price 50p)
- Wednesday, 9th February, at 10 a.m. **ENGLISH AND FOREIGN COINS** in gold, silver and bronze including the Collection from The Bishopsdale Foundation, also a good series of gold Commemorative and Prize Medals (Catalogue)—Price 20p
- Wednesday, 23rd February, at 10 a.m. **FOREIGN COINS AND MEDALS** comprising modern gold coins of Spain and France, Napoleonic coins and medals, together with a special list collection of coins of Ecuador (Illustrated Catalogue (31 Plates)—Price £1.50)
- Wednesday, 9th March, at 1 p.m. **ENGLISH AND FOREIGN COINS** in gold, silver and bronze including the Collection formed by F. "Stoddy" Banks, deceased, of Beverly, Humberside (Catalogue)—Price 20p
- Wednesday, 23rd March, at 1 p.m. **IMPORTANT ANGLO-SAXON AND NORMAN COINS** being Part II of **THE MACK COLLECTION** of Ancient British, Anglo-Saxon and Norman Coins (Illustrated Catalogue now in course of preparation)
- Thursday, 24th March, at 1 p.m. **ENGLISH AND FOREIGN COINS** in gold, silver and bronze (Catalogue now in course of preparation)
- Tuesday, 8th April, at 1 p.m. **A Collection of NAVAL AND MILITARY DECORATIONS AND MEDALS** (Catalogue for further Sales of Coins and Medals to be held in the Spring are now in course of preparation. Collectors desirous of selling should contact

GLENDINING & CO., promptly Commission to Vendors—10% No Premium charged to Buyers

ENTERTAINMENT GUIDE

OPERA & BALLET	THEATRES	CINEMAS
<p>ENGLISH NATIONAL OPERA 7.30 p.m. <i>Die Walküre</i>, Act 1 8.15 p.m. <i>Die Walküre</i>, Act 2 8.45 p.m. <i>Die Walküre</i>, Act 3</p> <p>COVENT GARDEN 2.00 p.m. <i>Die Walküre</i>, Act 1 7.30 p.m. <i>Die Walküre</i>, Act 2 8.15 p.m. <i>Die Walküre</i>, Act 3</p> <p>ROYAL OPERA HOUSE 7.30 p.m. <i>Die Walküre</i>, Act 1 8.15 p.m. <i>Die Walküre</i>, Act 2 8.45 p.m. <i>Die Walküre</i>, Act 3</p>	<p>THEATRE 7.30 p.m. <i>Die Walküre</i>, Act 1 8.15 p.m. <i>Die Walküre</i>, Act 2 8.45 p.m. <i>Die Walküre</i>, Act 3</p> <p>THEATRE 7.30 p.m. <i>Die Walküre</i>, Act 1 8.15 p.m. <i>Die Walküre</i>, Act 2 8.45 p.m. <i>Die Walküre</i>, Act 3</p>	<p>CINEMAS 7.30 p.m. <i>Die Walküre</i>, Act 1 8.15 p.m. <i>Die Walküre</i>, Act 2 8.45 p.m. <i>Die Walküre</i>, Act 3</p>

CRICKET—TEST MATCH CENTENNIAL 1877-1977

Special limited edition of 903
Representing the highest ever Test Score
of Crystal Wine Goblets Individually hand engraved by Tony Carpenter
M.A.S.E.E., Member of the Guild of Glass Engravers
Each glass numbered and signed. £14.95 each P & P 5pp.
Hartford Engraved Glass Co., 21, Marlborough War, Easton, Norwich, Norfolk.
Tel: Honingham 318.

ANTIQUE MAPS & PRINTS FOR INVESTMENT

Presented to the highest standards.
Worldwide illustrated quotation service for new and established collectors and investors. Free advice on starting a collection. For booklets "Discovering Antique Maps" send 50p. **THE WELLS MEDICAL MAPS LTD.**, The Wells Gallery, Station Rd., Tring, Herts. Tel: Tring (0464 282) 3523. Telex: 824946.

SPRING ISLAMIC SALES

Last November six new major auction records were achieved during Sotheby's second week of sales of Islamic works of art.

The sales, which realised £1,260,000, included carpets, rugs, manuscripts, miniatures, lacquer, ceramics, glass, metalwork, arms and armour and other works of art; paintings, watercolours and photographs of Middle Eastern subjects; also books of Islamic interest.

The closing date for the consignment of property for the next specialised series of Islamic Sales, which will take place from 2nd to 6th May, is 4th March 1977.

For further information about these sales telephone or write to Jeremy Cooper.

Sotheby's
FOUNDED 1744
Sotheby Parke Bernet & Co.
34-35 New Bond Street, London W1A 2AA
Telephone: 01-493 8050 Telex: Abimino, London
Telex: London 44434

GERMAN GYMNASIUM & SPORTS EQUIPMENT MANUFACTURER
Profitable business, growth potential. 100% take-over price: DM24m.

SWISS EQUIPMENT LEASING COMPANY
Expanding business, two-thirds mastery in increased share capital. price: SF12.5m.

WESTERN EUROPE'S LEADING TRANSLATION SERVICE
Profitable business, experienced management, 100% take-over price: £1.5m.

For further information please write to:
Dipl.-Kfm. Frank HERTBERN
Trajanstr. 17, D-5000 Köln 1,
W. Germany.

PRINTING COMPANY FOR SALE
Near Newport Gwent.
Budgeted turnover £300,000 plus for 1977.
Modern Lino/Typesetter. Film Processor Equipment.
Write Box T-481, Financial Times, 11, Cannon Street, EC4A 3DF.

سكنا من الالهي

Language Courses

The British image of linguistic ignorance is fading fast. Arthur Sandles reports on the rush to language schools.

Winning the away game

THE INCIDENT is burned on my memory. An essential button had been lost during a visit to the Algarve and a friend had loaned me a safety pin. I say "loaned" because he is a particularly cautious fellow who always has about him a few spare zlotys, pieces of string and safety pins, and maintains his stock with care, in case some unforeseen need should arise. He was insistent that the pin should be returned.

We entered a haberdashery in Albufeira. On the door the words "We Speak English" were clear enough.

"I would like to buy a safety pin," I announced.

"Certainly, sir," said the man producing a box of Birus from a drawer.

"No. Not a pin, a pin," I said with some insistence.

He looked confused and so, taking one of the pins, I drew what I thought to be a safety pin on a piece of paper.

The man rocketed round the counter, took my friend and me roughly by our arms and tumbled us into the street shouting: "Farmacia, Farmacia," and pointing further down the street. Clearly neither my Portuguese nor my draughtsmanship was up to inter-continental standards.

Although that should perhaps have sent me off for a crash course in Portuguese it did not. Nor did the incident with the African casino owner who insisted on being interviewed in French about government bribery allegations and who ended the conversation (in English): "You have had a difficult time; come and choose a dancing girl to show there are no ill-feelings."

The problem is that although the cliché argument — "never negotiate in any language but your own" — sounds simple enough, the fact is much more difficult than the theory. If you want that plum order then sometimes you have no alternative but to cross your fingers and try to remember your constructions.

The old myth about the British being unwilling to try out another tongue is patently untrue, unless the burgeoning number of language courses in the country are a front for some other activity. There is a clear enthusiasm among the middle-aged executive in particular to catch up on those wasted years

at school when application to learning a foreign tongue was something not really encouraged.

There is one very practical reason for this new enthusiasm for languages among the British and that is the discovery that foreigners are not necessarily all that brilliant at English. Foreigners acquired this image in the days when the British really only met the top people. To-day British tourists and businessmen are mixing much more with middle and lower management, and working with both white and blue-collar counterparts in foreign lands. They then find that the middle-bracket small businessman in Rheims is no more likely to speak English than a person in a similar position in Bradford is likely to have a good grasp of French.

It is true, of course, that styles of teaching have changed since over the years — even in schools. The overall theory is that students, of whatever age, should be encouraged into progress rather than presented with some scholastic mountain which must be climbed before any linguistic light can be seen.

The hurried businessman in thus offered his basic requirements for polite conversation, and the youngster helped to see that all the grammar actually leads somewhere.

Even in these automated days, however, learning a language is not necessarily cheap. For a full time course with personal tuition you are usually thinking in terms of £100 upwards a week and might be fortunate to find anything worthwhile for so little. Ten times that figure could be the sum asked by a reputable school for the sort of intensive course which will give you sufficient competence in the language to feel comfortable in most social circumstances.

The most frequent complaint from the language schools themselves is that the students frequently do not allow themselves enough time. Often this is unavoidable but sometimes an executive will actually plan months before he is due to depart, to spend the last two weeks before he actually goes learning a smattering of the language. The result is that his mind is on other things and he has little time to absorb or do

the reading and conversational work which is often so important. Nonetheless quite remarkable successes are achieved under these trying circumstances.

Often this superficial knowledge of the language can produce far greater difficulties than the occasional social embarrassment. In these days of foreign subsidiaries—or foreign parent groups—an English speaking manager can easily find himself in a working environment where his colleagues and work-force are speaking a different language. He will rapidly learn that every language has nuances which can be crucial in human relationships. The new boy will be forgiven his ignorance for only a short time.

To some extent this must be preaching to the converted, for a survey carried out some months ago showed the British to be much more aware of language problems than might at first be assumed. The Berlitz School of Languages talked to 50 winners of the 1970 Queen's Award to ask about the importance of language in their export work. A little over three-quarters of the companies asked used one or more languages in addition to their own English, with French, German, Spanish and Italian being the perhaps predictable main choices. Only a very few insisted that they never ever used a foreign tongue, and most of those looked to their overseas agents for direct contact with the customer.

Some 60 per cent of the companies questioned now asked for a second language at least as part of the qualifications for export work, but less than a quarter said they were willing to pay a premium in order to get people with such a qualification. Nearly half the companies operated language training in company time, and with the company paying. Often the spouses of employees going abroad were given similar company-paid instruction.

I cannot help but think, however, that Berlitz thinks of the export business as being a male preserve. Its own excellent European phrase book gives the translation of approaches from "May I get you a drink" (that's "Czy nie zechciałaby pani napicie czegos?" in Polish) to "Do you live alone," in 14 languages.



A group of engineers from Norwest Holst International learning Farsi (Persian) at the Berlitz Language School at Leeds. Teaching includes something of Iranian culture and society.

While the poor woman traveller is not even offered "Please go away, I am washing my hair tonight."

There are such things as hms-nesswomen. I actually know one who proved something of a point about learning a language while negotiating in Russia. At no time during the protracted talks did she reveal that she knew one word of the language. On the final afternoon of talks she was faced with two men.

"Well," said one in Russian to his English speaking aide. "Tell her we will settle for X, and if she still won't agree I suppose we'll have to come down to Y."

Before the aide could speak my friend piped up in reasonable Russian. "I think we should say Y now and call it a deal."

The Russians were, in fact, delighted and the deal, I should report, has proved highly successful for both sides.

But back to Berlitz and its survey. Says Mr. Roland Morgan, the school's general manager: "I think it is fair to say that the resigned acceptance of the popular image of the British businessman abroad, battling along on his own language and expecting everyone else to speak it, is turning a little sour." Foreign customers are now able to meet a growing number of salesmen from other countries who are perfectly capable of conducting business in the customer's own language.

Thinking of changing your job? (But not quite sure?)

For one reason or another many of our clients think they should make a change, but are not quite sure. Not sure of themselves, of their potential, of their "marketability" or of their ultimate goal. We are a group of highly qualified specialists who guide senior people towards a new direction in their careers, towards optimum personal and financial rewards. If you're a senior executive or professional person and you're not quite sure, one of our professional Career Advisers will be happy to discuss the matter with you, confidentially and without cost or obligation. Write or telephone us now. CHUSID help you to help yourself to a new way of life!

FREDERICK CHUSID & COMPANY LTD

Consultants in Executive Evaluation and Career Advancement. London: 25 Fitzroy Street, W1. Phone 01-437 7205. Paris: 6 Rue de Berri 75008. Phone 225-31.80. We are not an Employment Agency.

LEARN ENGLISH IN ENGLAND

THE OVERSEAS SCHOOL OF ENGLISH - Grosvenor Place, Exeter EX1 2HM, England (Recognised by the Department of Education and Science) School of English in university city near the sea, offers full time and holiday courses in English. Small classes - Qualified teachers - Language Laboratory Full-board accommodation with selected families

LEARN FRENCH ON THE RIVIERA

E. L. F. C. A. (FTP)

11 bd Matignon 83400 Hyeres France. Tel. 94650331 Long and short term Courses for Adults, all levels, open all year round. Accommodation with local family if required.

REGENT SCHOOL ENGLISH

INTENSIVE COURSES IN ENGLISH FOR EXECUTIVES Group or individual tuition available. Courses arranged. Centres in London and Brighton. Contact 18-23 Oxford Street, W1. Telephone 01-222 5481

Guildford College of Technology LANGUAGES for BUSINESSMEN Language courses in French, German, Spanish, Italian, Russian BILINGUAL SECRETARIAL (FRENCH) One year full-time courses for 'A' and post 'A' level students Apply: Department of Commerce, Stoke Park, Guildford, Surrey.

LANGUAGE TUITION FROM EXPERTS Evening courses in French, German, Italian, Portuguese, Spanish and other languages. Special programmes for company personnel. Private tuition arranged. International Language Centre Executive School 26 Old Bond Street London W1X 4NX 01-492 0401/2 Telex: 27636 INTLAN G

LANGHAM SECRETARIAL COLLEGE One-year full-time Secretarial Courses including Modern Languages. LANGHAM SCHOOL OF ENGLISH Beginners, Elementary, Advanced, Proficiency. Prospectus from 18 Duncannon Street Paris 15ème. Tel: 01-439 3732 Telephone 01-439 2204

STILLITREN languages for the world 72 New Bond Street London W1 tel 01-493 1177 telex 23475

BEDFORDSHIRE EDUCATION SERVICE LUTON COLLEGE of Higher Education FRENCH, GERMAN, SPANISH, ITALIAN Foreign Language Courses - Tailor-made for you and your INTENSIVE COURSES - 80 hours. One day a week and one evening for 16 weeks. IMMERSION COURSES - 2 weeks full-time followed by 5 weeks one day a week. For information, ring Tilda Fisher, Head of Department of Foreign Languages, on LU7GN 05621 34111, ext. 236.

FRENCH INSTITUTE EVENING CLASSES IN FRENCH LANGUAGE Commencing 21st February Registration from 16th January to 9th February - Write to: 14 Cromwell Place, London SW7 2JR (SAA) or Tel: 589 6211 Ext. 45

GERMAN DAY-INTENSIVE COURSES for Advanced Beginners and Intermediate Speakers. March 7th to April 1st. Fee: £20.00 Evening course in business German and commercial correspondence. Details on request. GOETHE-INSTITUT LONDON 45 Princes Gate, London SW7 2PG Tel: 01-589 3648/9

Britain earns money from language tuition to foreigners. For some resort towns it is very big business. New invaders

A YEAR or so ago a low budget film with no stars, and made by a woman producer as her first major project, was an incredible hit in the French cinemas. The film, *A nous les petites Anglaises*, produced by Irene Silberman, opened in London this week.

I hope my colleague on the Arts page enjoyed it as much as I did, but that is not really the point. The film revolves around a group of French teenagers who are sent to Britain by their families in order that the youngsters may learn a little more English. This they do, by taking over much of Ramsgate and seeking their pleasures where they can find them—most frequently among themselves. It soon dawns on the Englishman watching this film that Ramsgate like Eastbourne, Bournemouth and Torquay, are not necessarily the places to foreign eyes that they are to our own. These resort towns which we think of in terms of sandcastles, landladies and trades union conferences, are to the Continentals also huge summer finishing schools where they can perfect their English.

The English language tuition business in Britain and the ancillary spending it brings with it, was probably worth some £35m. at least last year, an estimate which has to be rough because there are no separate figures on the subject. There is similar guesswork applied to the number of schools offering some sort of English tuition in the peak months but it is widely accepted that there are more than 3,000 of them. It is a remarkably large slice of



A frolicsome scene from the French film *A Nous les Petites Anglaises*, recently released in London.

revenue for the towns involved which are, of course, London, the university cities, and the coastal resorts.

The reason for this popularity is not difficult to trace. English is still the basic tongue for the bulk of the world's international transactions. To adopt the old cliché about money: "English isn't everything, but whatever comes second is a long way behind." At the same time holidays in England are considerably cheaper than in many other parts of Europe, and certainly much cheaper than the language school resorts of the Continent.

The result is that foreign parents, and foreign companies, see it very much to their commercial and financial advantage to send children and employees to Britain for a few months in order to soak up some of the language and the culture.

Obviously the temptations of this booming business have attracted into it a number of unfortunate operators and the whole system has something of a disorganised air about it. The real professionals complain bitterly about the one-room operators who put an advertisement in a foreign paper and wait for customers,

However, the abuses are often overstated and frequently a matter for the immigration authorities rather than the police (schools which get a "student" admitted for temporary residency but in fact offer little if any tuition).

Overall the courses in fact seem to have a good reputation, both at the school/student level where teaching tends to be on a classroom basis, and at the executive level where there are more language laboratories and a far greater amount of personal tuition. So popular has Britain become for learning English, and so great is the need for English tuition to foreign-boro visitors and residents, that the British Tourist Authority, which has its headquarters in St. James's, publishes two free brochures listing schools, Learning English and English Language Courses, which are excellent starting points for anyone thinking of improving their competence in the language.

For most foreign students it is a matter of brushing up on a basic knowledge rather than starting from scratch. English is still by far the most popular second language taught in Euro-

pean schools and therefore there is usually a basic background. Therefore the language courses available bare tend normally to emphasise conversation sessions with teacher guidance rather than formal tuition.

All of this should have a long term beneficial impact on British trade. One can only hope that those who come to Britain in order to learn the language go back with a pleasant memory of the experience and therefore that they return later either as true holidaymakers, or as people of commerce. Certainly if the youngsters in Irene Silberman's film were anything to go by the experience is one of considerable impact.

For most foreign students it is a matter of brushing up on a basic knowledge rather than starting from scratch. English is still by far the most popular second language taught in Euro-

Learn a language fast face-to-face with a national BERLITZ TOTAL IMMERSION. The fastest way to learn a language - 2 to 6 weeks intensive individual study with native teachers in England - or at our special centres abroad. Also Private Tuition, Special Crash and Groups. Translation and Interpreting. 321 Oxford Street, 5 Portman Square, 79 Wells Street, London, W.1. Also at Croydon, ring 686 2862, Birmingham 43 4334, Leeds 35536 and Manchester 28 3607. 01-486 1931

Leeds POLYTECHNIC YOUR LANGUAGE NEEDS CATERED FOR. Completely Flexible Individual Tuition at Short Notice. Widest Possible Range of Languages Offered. For details contact: Leeds Polytechnic Modern Languages Centre - 27/31 Harrogate Road Leeds LS7 3PD Tel (0532) 621151 Telex 556237 (attention POLYTECHNIC)

FRENCH LANGUAGE COURSES 4 and 8 week intensive audio-visual language courses, designed for executive and professional personnel. Specialising in beginners and intermediate levels. French Professors and Modern Language Laboratory. Beautifully located in the Wiltshire countryside. Next courses commence 7th February, 7th March. Brochure and details from the enquiry office: GRASSE ECOLE DE FRANCAIS 38 Endless Street, Salisbury, Wiltshire Tel: Salisbury 22566 Telex: 477403

SCHOOL OF ENGLISH STUDIES 26 GRIMSTON GARDENS, FOLKESTONE, KENT, ENGLAND. ENGLISH LANGUAGE COURSES FOR BUSINESSMEN IN ENGLAND IN YOUR COUNTRY. Intensive 4 week "KEYMAN" Intensive, residential 2 week courses. COURSES in spoken English. For busy people in key positions. your special needs for your people. For further information please write or phone: S.E.S., 26 GRIMSTON GARDENS, FOLKESTONE. tel: (0303) 55061

WANT TO SPEAK FRENCH? You can, through a UNIQUE and PROVEN INTENSIVE 4-week programme on the FRENCH RIVIERA COMPLETE ALL-DAY IMMERSION ONLY IN FRENCH; daily 8.30-17.00 with 2 meals, in small groups. Audio-visual Classes, Language Lab, Practice sessions, Discussion-Lunch, Excursion. Lodging in private apartments, hotel or family included. Next 4-week course starts Jan. 31, Feb. 28 and all year. For beginners, intermediate and advanced. All ages. INSTITUT DE FRANCAIS FTA-29 23 Ave. Gén. Leclerc, 06-Villefranche-sur-Mer. Tel: (93) 80.86.61

LANGUAGES AT WORK Intensive full and part-time courses in English and all foreign languages including Arabic, Farsi, Indonesian, Japanese, Portuguese and Russian. Emphasis on work-related terminology and social communication for Commerce, Industry and the Professions. Cultural and Economic briefings for exporters. In-company courses throughout the U.K. and centres in Central London, France, Germany, Spain and Italy. DETAILS FROM: The Director of Studies LANGUAGES AT WORK 67 St. Michael's Street, London W2 TEL 01-262 2873

MONTE ROSA INTERNATIONAL SCHOOL AND LYCEE D'ARVEL Founded 1874 1820 Montreux Switzerland A UNIQUE INTERNATIONAL EXPERIENCE Monte Rosa, founded 1874, is a co-educational boarding and day school offering a complete education to English-speaking pupils from the age of 8 to 20 years. The secondary school is university preparatory and offers tuition for the Oxford G.C.E. examination and the American College Board's Testing Programmes. The schooling is supplemented by a carefully integrated programme of sports, excursions and diversified recreational activities. During the month of June to August holiday courses in languages are offered. For further information write to the Principal

POLYGLOT STUDY GROUP Cambien ? Wivel ? How much are you missing ? Languages mean Business ! Beginners - Advanced - Specialised & Tailor-made Group/Private Courses for Commerce & Industry. 7 Cleveland Square, London W2 6DH. Tel. 01-402 8646

Language schools are not what they used to be... You used to study from books and learn lists of words and divide them into nouns, verbs and adjectives. You learnt about the Perfect and the Imperfect and even the Pluperfect. You wrote long compositions and chanted verbs in chorus. Now they make you talk and talk and hardly let you look at your book. Pretty soon you won't be able to tell the Future Perfect from the Past Anterior. You can't even chant with the others. There are no others. Only you and the teacher. No - language schools aren't what they used to be. Linguarama Languages for business 83 Pall Mall London SW1 01-930 7887 147/8 Chesapeake London EC2

FOR FAST RESULTS... TAKE P.I.L.L. French? German? Spanish? Italian? Russian? Afrikaans? Thanks to Programmed Instruction Language Learning (P.I.L.L.) in 24 study hours is now all you need to master the basic structure of your chosen language - plus over 800 key words - sufficient for you to converse easily and confidently. Users include Airlines, banks, I.M. Government, British Airports Authority, hundreds of leading companies among them J.T.C., South Parker Pen, and Unigate Foods - as well as many progressive schools and tens of thousands of satisfied holiday makers. Courses are available for individual application. Also Mini-Lab (shown) for group study. For full details contact Peter Wetherill, World of Learning Ltd., 359 Upper Richmond Rd. West, London SW14 8QN. Tel: 01-878 1931. (Russian takes slightly longer). FOR A FAST REPLY TELEPHONE 01-878 1931 - TODAY!

سكول اللغه

OVERSEAS NEWS

E. African Airways suspends flights

By Our Foreign Staff EAST African Airways suspended most of its international flights yesterday because of a mounting financial crisis which has led to a shortage of cash for aviation fuel and other operating requirements.

Western Airlines pulls out of Airbus

By Stewart Fleming NEW YORK, Jan. 28. WESTERN AIRLINES has decided against placing a \$200m. order for the European A-300E Airbus.

Investment change in Zambia budget

LUSAKA, Jan. 28. ZAMBIAN Finance Minister John Nwanakwe announced foreign investors and expatriate firms would be allowed to remit more of their profits at present to encourage higher foreign investment.

Israel warns Syria on S. Lebanon

BY OUR FOREIGN STAFF

TENSION mounted in southern Lebanon yesterday following an Israeli warning on Thursday that Syria's demand on Thursday that Syria pull back from its forward positions in southern Lebanon after collecting heavy weapons from Left-wing Lebanese and Palestinian forces.

Doubts on Italian labour pact

BY DOMINICK J. COYLE

THE LIMITED measure of agreement reached here this week between Italian employers and trade unions on reducing the growth of labour costs to industry is believed to be insufficient to satisfy the International Monetary Fund that a further standby credit of \$530m. should be extended to Italy.

Last-ditch stand in Shanghai

BY COLINA MACDOUGALL

POLITICAL opposition to the Chinese leadership still appears to be continuing in Shanghai, where supporters of the disgraced Gang of Four are said to be putting up a "last-ditch fight".

Slower EEC growth

By Guy de Jonquieres

BRUSSELS, Jan. 28. A GLOOMY outlook for the economies of the Nine Common Market countries this year, with a further slowdown in growth and rise in unemployment, is painted in the European Commission's latest analysis of short-term economic trends.

Community probes U.K. oil industry aid

BY DAVID BUCHAN

THE EEC Commission has opened a formal inquiry into a scheme, introduced in mid-1973, by which the U.K. Government subsidised U.K. suppliers to the North Sea oil industry.

the limits we can accept. Israel has the moral right and the operational power to ensure its security interests on the Lebanese border," he added. Officials in Tel Aviv said Israel, which made its withdrawal demand via the U.S., was exhausting all diplomatic channels through America before considering the other options open to it.

Mondale in talks with Giscard

ROME, Jan. 28.

U.S. VICE-PRESIDENT Walter Mondale rounds off the European leg of his world tour here today when he meets President Giscard d'Estaing, with the main subject of discussion expected to be Giscard's proposal for a new economic summit of leading industrial nations in early spring.

Czechs refuse emigration

FIVE leading Czech civil rights campaigners associated with the Charter 77 manifesto yesterday firmly declined an offer by the Prague passport office to arrange a trip to Austria for them.

Sakharov backed

FOUR SOVIET writers have appealed to Western leaders to defend Nobel Peace Prize winner Andrei Sakharov, whom they say is in danger of being silenced by the authorities.

Moscow defers trip

MOSCOW has postponed for the third time a trip by its Deputy Foreign Trade Minister to Egypt, in what the newspaper Al-Ahram described yesterday as a "new Soviet attempt to pressure" the country.

Dutch strike talks

ICI Holland in Rotterdam is among the 13 new companies where discussions on strike action will be held today, according to trade union executives.

Bonn attacks rise

THE 8.9 per cent wage increase for West German engineering and metal industry workers proposed by an arbitration panel last night was strongly attacked yesterday by the Government, as well as by the employers.

COUNCIL OF EUROPE'S NEW BUILDING

Space for parliament, too

BY ROBERT MAUTHNER IN STRASBOURG

THE COUNCIL OF Europe's new building in Strasbourg, inaugurated by French President Giscard d'Estaing yesterday in a speech in which he once again called for the resumption of discussions on European economic and monetary union, can best be described as a mixture between the Pentagon and Paris's futuristic Charles de Gaulle Airport.

planned that the spacious public which has plagued the EEC since its inception in 1957. Strasbourg certainly has a head start. The new Council of Europe headquarters is now the only building in the three European capitals with a chamber large enough to accommodate the 40 members of the European Parliament after its election by universal suffrage in 1978.

French propose summit changes

BY OUR COMMON MARKET CORRESPONDENT

BRUSSELS, Jan. 28.

PRESIDENT Giscard d'Estaing has proposed that Foreign Ministers be given greater responsibility for preparing decisions on a Community council, a more active body, set up by the French President, it is important to recognise that it serves a number of different purposes.

broader questions of policy and would have to spend less time discussing procedural details. But, to make the European Council a more active body, the French President says, it is important to recognise that it serves a number of different purposes. He distinguishes two categories of meeting, in their original purpose and that of the European Council, which is a more active body, set up by the French President, it is important to recognise that it serves a number of different purposes.

INITIAL OFFER M&G GILT BONDS CLOSING 11 FEBRUARY 1977

When interest rates are high, Government Stocks offer very attractive yields. When interest rates fall, the prices of gilt-edged stocks rise. Well-timed gilt-edged investment can thus be highly rewarding.

Historically, yields on gilts are at present extremely high, and, although they could go even higher, there is a strong probability that the trend will be downwards. Lower interest rates must be expected to have high priority in the Government's economic strategy.

Among the giants, M&G produced easily the most impressive performance. OBSERVER 19.12.76

TWO WAYS TO INVEST The initial offer at 100 will close on 11th February 1977. After that date, units will be allocated to Bonds at the price calculated at the next weekly subscription day.

WISH TO INVEST £250 Complete this section if you wish to make a lump sum investment from £250. I WISH TO INVEST £ in M&G GILT BONDS. I enclose my cheque, made payable to M&G Trust (Assurance) Limited.

TWO WAYS TO INVEST In addition to investing a capital sum, you can start a Regular Monthly Saving Plan for as little as £10 a month, and claim tax relief at current rates of £17.50 for each £100 paid.

OR £10 Complete this section if you wish to make a Regular Monthly Saving (minimum £10 a month). If you want more than £20 per month, please tick the box on the Declaration form, which we will send you our standard proposal form, which we will send to anyone applying over 50.

M&G Trust (Assurance) Limited Three Quays, Tower Hill, London EC3R 6BQ Tel: 01-626-4588 Directors: E. W. L. Palmour (Chairman); J. S. Fairbairn; C. A. K. Fenn-Smith; R. J. Laker; W. A. T. Morecombe. Secretary: A. F. Webster.

Piccadilly Technology Fund The top U.K. equity fund in 1976 Capital appreciation by investment in growth and export orientated companies operating in the fields of electronics, electricals, specialised engineering, computers and advanced communications.

Shell announces 37% rise in net earnings NEW YORK, Jan. 28. THE 69 per cent. Royal Dutch-Shell-owned Shell Oil, which ranks third in U.S. oil production, has announced a 37 per cent rise in net earnings, bringing the full year results to \$706m or \$10.11 a share.

Mitsubishi net profits improve TOKYO, Jan. 28. MITSUBISHI CORPORATION said its consolidated net income in the first half of fiscal 1976 ended September 30 rose by 277 per cent to ¥14,922m from ¥5,141m in the like year-earlier period.

INTERNATIONAL COMPANY NEWS Ennia Bonner transfer talks ENNIA said negotiations are taking place with the Board of the Bonner Lebensversicherung of Cologne in connection with the transfer of Ennia to the Bonner Lebens group.

HOME NEWS

Crown Agents probe likely

BY MARGARET REID

THE PUBLIC Accounts Committee, MP's watchdog over public spending, is likely in the next few weeks to carry out further inquiries about the State-backed Crown Agents, after a report on the subject this week by Sir Douglas Henley, Comptroller and Auditor General.

In his report on the Appropriation Accounts 1975-76, Sir Douglas raises questions about contingent liabilities which could result in further burdens on the Exchequer as a result of Government assurances about support for the Agents.

The matter arises, partly at least, from the rescue move the Government made in December, 1974, when it put up an £26m grant to fend off a financial crisis threatening at the Agents as a result of the disastrous £200m-plus earlier involvement in investment in secondary banking and property.

Mrs. Judith Hart, the then Minister of Overseas Development, at the same time gave assurances that the Government stood behind the Agents, who

invest and purchase for overseas governments.

This assurance, to comfort overseas governments and public Boards which hold hundreds of millions of pounds of deposits with the Agents, was afterwards repeated by Mrs. Hart's successor, Mr. Reg Prentice.

The Bank of England also made a liability-by-credit facility available to the Agents. The grant was accounted for in the usual way under the Government's 1974-75 overseas aid vote.

Liabilities Sir Douglas says: "The Government's commitment to support the Crown Agents involves substantial contingent liabilities on public funds, so I asked whether the Minister possessed statutory power to incur liabilities beyond the £26m, and why, the Ministry had not sought vote provision in 1975-76 and 1976-77 for them."

The Ministry replied that it was advised that it had no statutory authority, but that the assurances that the Government had given constituted a liability of the Crown, and thus

fell on the Government.

It regretted that no vote provision had been taken to provide for possible liabilities of the kind in question. A token provision was accordingly afterwards included in the 1976-77 winter supplementary estimates.

Dealing with the Agents' Euro-currency borrowings in connection with their property interests in Australia and other business abroad, Sir Douglas says: "During 1975 the Bank of England ruled that the Crown Agents should not use foreign currency deposits by Principal—overseas governments, etc.—to finance long-term investments." Loans of £23m and \$35.5m were then put up by a commercial bank, "supported by letters of comfort from the Bank of England."

The Agents are planning a major £200m loan to finance the Australian interests. Sir Douglas says that he had asked the Ministry whether it imposed a contingent liability on public funds, and if the Minister had specifically approved the purposes of the loans.

"They informed me that they had not been consulted either by the Crown Agents or by the Bank of England before the £35m and \$10m—afterwards \$35.5m—loan facilities had been arranged, nor on the wording of the comfort letters."

However, neither they nor the Treasury considered that the comfort letters imposed any additional contingent liability on public funds.

The view at the Agents and in Whitehall appears to be that, as the concern has been a Crown office since its creation in 1843, the regional Government responsibility for it has always existed.

Sir Douglas also refers to the Agents' Millbank Technical Services subsidiary, which has a much increased £150m order book, largely for defence equipment, and much of it for Iran.

Insurance cover

"To finance some of their contracts (MTS) borrow from U.K. banks with Export Credits Guarantee Department (ECGD) insurance cover to guarantee the repayment of the banks' loans.

For their own purposes ECGD needed to satisfy themselves about the recourse-worthiness of MTS, and, in this context (the Ministry) gave assurances that Government support for the Crown Agents could be regarded as taking account of the possible effect on their finances of MTS' involvement in particular contracts.

Sir Douglas also says that the Ministry informed him that, when the Government's assurance of support was first given in December, 1974, it covered the whole situation of the Agents, including activities of subsidiaries. At that time, the Ministry "had not fully realised the extent and nature of the activities of MTS, and had only subsequently become aware of the substantial and growing involvement of MTS as a principal in contracts, some with a risk element."

Sir Douglas goes on to note tightened arrangements for control by the Ministry and, where necessary, the Treasury, to minimise the risks falling on MTS.

Japanese agree to curb car sales

By Terry Dodsworth

BRITISH CAR makers took a significant step yesterday towards containing the expansion of the Japanese vehicle importers in the U.K.

The motor trade association of the two countries issued a communiqué after day-long talks in London. They indicated that any growth in Japanese sales this year would closely follow expansion.

The statement is expected to cover both the car sector and small commercial vehicles, an area in which the Japanese have attracted the British industry with conspicuously rapid growth in the past 12 months.

The communiqué carefully avoids any statement of a positive agreement on voluntary restrictions on imports but implied that the Japanese would not try to expand car sales much beyond the 9.4 per cent share they enjoy.

Positive Similar communique after talks in the past 18 months have been followed by an effective limitation on growth.

The wording was designed to avoid a positive commitment which would imply a breach of free trading agreements, or encourage other countries to press for similar talks with the Japanese.

Official forecasts indicate that total sales will rise only marginally on last year's level of 1.28m to 1.3m, thus giving little leeway for Japanese expansion.

Last year, while the Japanese market share rose only marginally—from 9.4 per cent to 9.44 per cent—sales went up from 107,900 to 121,400 because of the general increase in registrations.

Relations between the two organisations have improved since they started their regular six-monthly meetings 18 months ago.

Production of bricks up 7% last year

PRODUCTION of bricks rose 7 per cent last year compared with 1975, but deliveries were down by 2 per cent, according to provisional figures from the Environment Department.

Last month's production was 340m. Stocks rose from 470m to 527m about five weeks' present production. Cement deliveries averaged 210,000 tonnes a week last month and clinker production 249,000 tonnes.

Phone links back

Telephone links to Guernsey were re-established yesterday. The island had been cut off since Wednesday when three main cables were damaged.

Planning move

The Government yesterday supported a Tory backbencher's private Member's Bill to increase the powers of local authorities to take quick action against breaches of planning controls. The Town and Country Planning (Amendment) Bill is sponsored by Mr. Dudley Smith, MP for Warwick and Leamington.

Benefit pledge

The child benefit scheme, which comes into operation in April, will not be included in means test calculations for those on family income supplement, Mr. Stanley Orme, Social Security Minister, said in a written Commons answer.

Tale of two cities

Tories on the Greater London Council were angry when it was admitted by the council that a photograph in a booklet on the council's local authority decay was taken in Liverpool.

Concorde salesmen

A joint marketing team to boost efforts to sell the Concorde has been set up by the British Aircraft Corporation and France's Aerospatiale. The French have three Concordes and the British two under construction and not sold.

Stamp sale

Stanley Gibbons two-day all-world auction of postage stamps in London realised £39,181.

Fares up

Fares on buses operated by the Midland Red Company go up by 1 per cent to-day.

State guarantees for payments to Nuclear Fuels

BY DAVID FISLOCK, SCIENCE EDITOR

THE GOVERNMENT would guarantee the return of payments made by customers of British Nuclear Fuels towards the construction of fuel processing capacity should the company default or be obliged to renegotiate its contracts, Mr. Anthony Benn, the Energy Secretary, said yesterday.

Mr. Benn confirmed in the Commons the Government's promise of last summer to guarantee the financing of the company's investment programme.

The enabling Bill, published yesterday, increases the present limits on payments the Government may make for loans and shares to the company from £75m to £300m—which may be extended by Order to £500m.

Dr. Donald Avery, deputy managing director of British Nuclear Fuels, said last night the Bill underpinned the £100m loan the company had raised from a consortium of banks last September.

The £500m should see the company through its five-year corporate plan, including construction of an oxide reprocessing plant, because of the large advance payments it was negotiating with customers overseas. The corporate plan expects

investment of more than £1bn.

The programme provides for investments in the reprocessing of metallic uranium (Magnox) fuel, in uranium enrichment and in research and development for a new method for disposing of highly radioactive wastes. It includes a 1,000-tonne oxide fuel reprocessing plant, required by the company to treat fuel from Britain's advanced gas-cooled reactors and from light water reactors overseas.

Provision

Subject to planning permission being granted, the company expects to finance both the extension of its gas centrifuge enrichment plant at Capenhurst and its oxide reprocessing plant at Windscale from downpayments by customers.

The Bill makes provision for raising the upper limit of the payments the Government may make for loans and shares to the Radiochemical Centre from £7m to £15m, and for it to guarantee third-party loans to the company. It permits the Government to buy shares or other securities in the National Nuclear Corporation and its subsidiaries.

Insurance cover

"To finance some of their contracts (MTS) borrow from U.K. banks with Export Credits Guarantee Department (ECGD) insurance cover to guarantee the repayment of the banks' loans.

For their own purposes ECGD needed to satisfy themselves about the recourse-worthiness of MTS, and, in this context (the Ministry) gave assurances that Government support for the Crown Agents could be regarded as taking account of the possible effect on their finances of MTS' involvement in particular contracts.

Sir Douglas also says that the Ministry informed him that, when the Government's assurance of support was first given in December, 1974, it covered the whole situation of the Agents, including activities of subsidiaries.

At that time, the Ministry "had not fully realised the extent and nature of the activities of MTS, and had only subsequently become aware of the substantial and growing involvement of MTS as a principal in contracts, some with a risk element."

Sir Douglas goes on to note tightened arrangements for control by the Ministry and, where necessary, the Treasury, to minimise the risks falling on MTS.

Goldsmith to 'paddle his canoe' without quotes

BY MARGARET REID

AN UNCOMPROMISING philosophy of business means that Sir James Goldsmith's empire has passed to Cavendish, however, in turn became effectively controlled from France by the considerably smaller Générale Occidentale.

"Meanwhile, Occidentale has, in a sequence of takeovers, mopped up the bulk of the minority in other Goldsmith companies, including Anglo-Continental Investment and Finance, the British financial and insurance vehicle, the Argyle Securities property concern and Maidenhead Investments.

Cavendish, the large food company which takes in Allied Supplies, Bovril and other brands, has also in recent months followed up its acquisition three years ago of control of the U.S. store group Grand Union by acquiring most remaining shares in it.

Sir James has been in the public eye during the past year for presiding over the controlled takeover of Slater Walker Securities since Mr. Jim Slater left as chairman. In an outspoken comment from Paris last night, he outlined some of his thinking.

last summer, control of the French food concern Générale Occidentale, passed to Cavendish, however, in turn became effectively controlled from France by the considerably smaller Générale Occidentale.

"Meanwhile, Occidentale has, in a sequence of takeovers, mopped up the bulk of the minority in other Goldsmith companies, including Anglo-Continental Investment and Finance, the British financial and insurance vehicle, the Argyle Securities property concern and Maidenhead Investments.

Cavendish, the large food company which takes in Allied Supplies, Bovril and other brands, has also in recent months followed up its acquisition three years ago of control of the U.S. store group Grand Union by acquiring most remaining shares in it.

Sir James has been in the public eye during the past year for presiding over the controlled takeover of Slater Walker Securities since Mr. Jim Slater left as chairman. In an outspoken comment from Paris last night, he outlined some of his thinking.

In a controversial reshuffle

News analysis: CAVENHAM

cluding Anglo-Continental Investment and Finance, the British financial and insurance vehicle, the Argyle Securities property concern and Maidenhead Investments.

Cavendish, the large food company which takes in Allied Supplies, Bovril and other brands, has also in recent months followed up its acquisition three years ago of control of the U.S. store group Grand Union by acquiring most remaining shares in it.

Sir James has been in the public eye during the past year for presiding over the controlled takeover of Slater Walker Securities since Mr. Jim Slater left as chairman. In an outspoken comment from Paris last night, he outlined some of his thinking.

Whitbread wins safety award

Lord Robens of Woldingham yesterday presented the brewers with a Sword of Honour on behalf of the British Safety Council.

The award was made partly because of Whitbread's £20m investment programme to streamline and make safer its brewing and delivery system. It produced a new design for a brewers' dray.

"I think I've been chairman of public companies long enough and I haven't enjoyed it. Things are not made easy." He made it clear that his concept was to operate essentially through Occidentale, peddling his own "canoe", and that if the planned bid succeeded, Cavendish would no longer be quoted on the London or Paris Stock Exchanges.

Evidently, however, Sir James, 43, who has British and French nationality, still plans to conduct a bi-national business empire. Of Cavendish, which has £1.65bn of sales in 1975-76, and is valued by the likely bid price at over £120m, he said: "I can assure you the move will in no way inhibit our capital investment programme in the U.K."

It remains to be seen how Sir James's philosophy of personal management and close control would fit in with any follow-up of the new Bullock proposals for worker directors on British company Boards.

The Goldsmith family has held about a third of the shares in Cavendish since the big Belgian concern, La Société Générale de Belgique, took a 10 per cent stake last summer.

Other major shareholders in Occidentale—only some 10 to 15 per cent of whose capital is held by the public—include Union des Assurances de Paris, the French Savings Bank and the Renault car group. Hambro Bank has a 10 per cent stake and Britain's Prudential Assurance a fairly small holding.

Trident Gilt Edged Fund

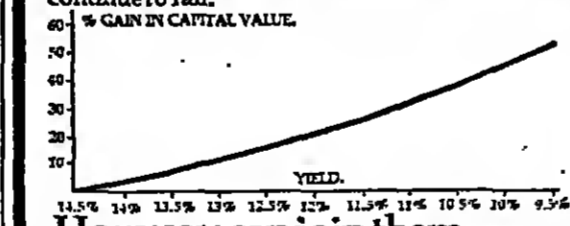
Britain's biggest financial institutions have invested £6,000m. in Gilts.

You should follow their lead.

Over the past few months the investment managers of the most experienced and influential financial institutions in the country—pension funds and insurance companies—have invested more than £6,000 million in the Gilt Edged market.

The reason is straightforward. Gilts have offered gross yields as high as 16% with the certainty of significant capital growth as interest rates started to fall.

Already Gilt yields have fallen to 14% and a degree of capital growth has therefore been seen. But it is widely forecast that this is only the beginning and that yields will fall considerably further over the next months and years. The graph below illustrates the relationship between yield and capital value and shows the percentage growth in the value of an undated Gilt as yields continue to fall.



How you can join them

The Trident Gilt Edged Fund provides one of the very best ways for a private individual to invest in Gilts, bringing together the benefits of a managed Gilt Fund with the tax advantages of a single premium insurance bond.

In our view, it is a reasonable supposition that yields on long-dated Gilts will, in fact, fall to between 12% and 11% during the next three years. If they do then the result of this fall in yields plus re-invested income will produce a combined growth of between 35% and 44% in the value of an investment in the Trident Gilt Edged Fund, net of all charges and after normal tax within the Fund.

Further, on final encashment, tax on the growth element will only be paid by those liable to higher rates of tax or the investment income surcharge at the time. There is no liability to basic rate tax whatsoever.

Why interest rates must fall

The crux of our argument for an investment in the Trident Gilt Edged Fund is that interest rates and the rate of inflation (which is itself both the cause and effect of high interest rates) must fall from their current abnormal levels if the U.K. economy is to recover.

Both must be brought back into line with other Western economies. Unless we reduce inflation British exports will be priced out of world markets, the exchange rate will decline further and the Government objective of re-establishing confidence in sterling will fail.

The Government's success in reducing public sector borrowing will, in itself, bring lower interest rates. (This has already been seen in the recent reductions in MLR). This occurs because public sector borrowing is mainly financed by selling Gilts. As borrowing demand is lessened, yields on Gilts will fall and, as we explained earlier, capital values will rise.

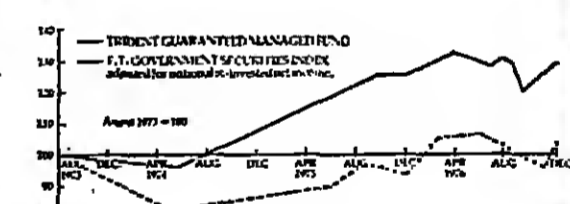
Professional management

Confidence in the investment potential of Gilts is not by itself enough for the private investor. It is a highly technical and complex market and a Gilt portfolio demands very active professional management if gains are to be maximised.

Our track record in gilts

One of the Funds under our management has been invested exclusively in Gilts and cash deposits since its inception in 1973.

For this reason we have launched the new Gilt Edged Fund for those investors who require a fund concentrating in Gilts.



Regular cash withdrawals — up to 10% p.a.

If yields on long-dated Gilts do fall to between 12% and 11% over the next three years then a basic rate taxpayer could withdraw as much as 10% p.a. of his initial investment. He would have no personal liability to basic rate tax and could still see his money grow by between 2% and 10% over the three year period net of all charges.

Even a higher rate taxpayer could withdraw up to 5% p.a. of his initial investment with no immediate personal liability to tax. His investment would still grow by between 19% and 27% over the period, although a tax liability might arise on final encashment.

Is performance guaranteed?

No. We stress that the results of an investment in the Fund depend on the future movement of interest rates, and that the figures quoted are merely examples. Unit values could fall as well as rise, but we repeat our strongly held belief that interest rates will fall significantly over the next few years and that an investment in the Trident Gilt Edged Fund will prove very profitable.

How to invest or find out more

You can invest in the Trident Gilt Edged Fund simply by completing the application form. Your bond document will be forwarded to you within a few days. Alternatively, if you would like to find out more simply fill in your name and address on the form and we will contact you.

Application form for Trident Gilt Edged Fund. Includes fields for name, address, occupation, and investment details. A Trident Life logo is at the bottom right.

Handwritten Arabic text at the bottom of the page.

THE FINANCIAL TIMES

Incorporating THE FINANCIAL NEWS
Head Office Editorial & Advertisement Offices: BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF

Spain between hope and chaos

BY ROGER MATTHEWS • MADRID, Jan. 28



Kidnap victim Villacueva

Stampede into gilt-edged

THE CONTRAST between the course of the economy and the behaviour of the security markets has become steadily more marked over the past few weeks.

The publication of the foreign exchange reserve figures next week will confirm that funds have been coming into London, though the full extent of the inflow may be concealed.

One of the factors which the gilt-edged market is not setting much store by at present is the need for the Bank of England to sell sizeable quantities of stock in this coming financial year.

Because so much money is being invested in gilt-edged, at a time of year when there is in any case some seasonal pressure on the money supply, short-term credit has been tight and the Bank has been forced to intervene once again to relieve the position.

This easing of the monetary position is essentially short-term and has no serious connection with the Government's undertaking to keep the expansion of domestic credit within stated limits.

Not until the last war had been waged for more than a year did we discover how to employ our full labour force to provide the means to wage it.

Pay packets are only worth what can be bought with them. The real value of pay must decline if goods and services are not being produced by those who are capable of working, while they are supported by those who are.

Legality
From Mr. D. Kidd.
Sir—Your correspondent David Watt (January 21) employs the terms "Right" and "Right-wing" to describe action taken against trade union practices.



Kidnap victim Oriol

SPAIN HAS plunged within seven days from a mood of political optimism to one of gloom. A series of terrorist attacks, carried out with blunt efficiency, are threatening the stability of a Government pledged to restore democracy to the country and are reviving memories of the violence that preceded the outbreak of civil war on July 18, 1936.

The pendulum of political hope is notorious for its abrupt swings in Spain. In a month's time the past week could be looked back upon as an isolated period during which extremists made a last determined effort to halt the march towards democracy.

A week ago all was optimism. Government and opposition were moving closer to agreement on the conditions under which the first free general elections for more than 40 years would be held.

Towards a form of democracy
Such is the power of the extremist minorities at either end of the political scale who appear to have decided that Spain is not yet ready for a form of western democracy.

Supporters
From Mr. L. Titchner.
Sir—William Duffice's article on worker directors in Norway misses one important point. The Norwegian Boards are becoming increasingly afraid to make political contributions.

Heathrow
From Mr. J. King.
Sir—The Underground extension to Heathrow will certainly make the airport a much more convenient place at which to start and end an air journey.

Energy
From the Chairman, The Conservation Society.
Sir—Your issue of December 24 reports that the commission on energy to be set up by the Department of Energy will have a composition that does not include a representative of the environment conservation lobby.

Recruitment
From Mr. E. Hurst.
Sir—Your correspondent (Jan. 26) rightly emphasises the qualitative differences between the non-interviewing referral system used by the Government's Professional and Executive

note, while on a Sunday afternoon six journalists were telephoned at home in order that GRAPO could outline its political philosophy.
Senator Oriol also has become a regular correspondent, showing little sign of mental stress. He has even taken to analysing the political situation and was pleased at Christmas time when his family went on to television to say that they hoped he would be home soon.

More violent Right
For several years in Madrid and in other parts of the country the police have been helping in putting down anti-regime demonstrations by civilians who were often armed or carried some form of club.

Towards a form of democracy
Such is the power of the extremist minorities at either end of the political scale who appear to have decided that Spain is not yet ready for a form of western democracy.

Supporters
From Mr. L. Titchner.
Sir—William Duffice's article on worker directors in Norway misses one important point. The Norwegian Boards are becoming increasingly afraid to make political contributions.

Heathrow
From Mr. J. King.
Sir—The Underground extension to Heathrow will certainly make the airport a much more convenient place at which to start and end an air journey.

Energy
From the Chairman, The Conservation Society.
Sir—Your issue of December 24 reports that the commission on energy to be set up by the Department of Energy will have a composition that does not include a representative of the environment conservation lobby.

Recruitment
From Mr. E. Hurst.
Sir—Your correspondent (Jan. 26) rightly emphasises the qualitative differences between the non-interviewing referral system used by the Government's Professional and Executive

Officers corps
The army, inevitably the key to the country's political future, was to-night discussing the latest terrorist attacks. Those sections of the officer corps, especially some generals close to retirement, may be claiming vindication for their views that liberalisation would only bring chaos.

also seems to have found a remarkably safe place in which to hide its hostages which provides home comforts such as television, radio, and a regular supply of newspapers and magazines.
Señor Jose-Maria de Areizola, foreign minister in the first government of King Juan Carlos, has spent a lot of time in the past 24 hours denying newspaper reports of an interview which he gave. It was totally untrue, he said, that he had ever suggested that the hostages were being held in a Madrid embassy building.

Smoke billows up from canisters thrown by police in the Madrid streets.
Irritated that his demand for the release of political prisoners was not being answered, at the beginning of this week another spectacular kidnapping—of the President of the Supreme Court of Military Justice, Lieutenant General Emilio Villacueva. The kidnapping was again carried out with smooth efficiency.

Officers corps
The army, inevitably the key to the country's political future, was to-night discussing the latest terrorist attacks. Those sections of the officer corps, especially some generals close to retirement, may be claiming vindication for their views that liberalisation would only bring chaos.

Officers corps
The army, inevitably the key to the country's political future, was to-night discussing the latest terrorist attacks. Those sections of the officer corps, especially some generals close to retirement, may be claiming vindication for their views that liberalisation would only bring chaos.

Officers corps
The army, inevitably the key to the country's political future, was to-night discussing the latest terrorist attacks. Those sections of the officer corps, especially some generals close to retirement, may be claiming vindication for their views that liberalisation would only bring chaos.

Officers corps
The army, inevitably the key to the country's political future, was to-night discussing the latest terrorist attacks. Those sections of the officer corps, especially some generals close to retirement, may be claiming vindication for their views that liberalisation would only bring chaos.

Officers corps
The army, inevitably the key to the country's political future, was to-night discussing the latest terrorist attacks. Those sections of the officer corps, especially some generals close to retirement, may be claiming vindication for their views that liberalisation would only bring chaos.

Officers corps
The army, inevitably the key to the country's political future, was to-night discussing the latest terrorist attacks. Those sections of the officer corps, especially some generals close to retirement, may be claiming vindication for their views that liberalisation would only bring chaos.

Letters to the Editor

Resources

From Mr. D. Welbourn.
Sir—Many of my contemporaries must be feeling despondent that they fought for the freedom to move from being unemployed in 1937 to being unemployed in 1977.

Resources
This matter was, in fact, referred to obliquely—very obliquely—by Sidney Tinsley, a member of the last reading debate. What is not at all clear to the people is the issue involved: there is a whole cornucopia of law protecting the worker who is unfairly dismissed by an employer and in the workers' charter of 1974 (the Trade Union and Labour Relations Act) Section 5 gave "every worker" the statutory right "not to be excluded from membership, expelled from membership of a trade union or a branch or section of a trade union by way of arbitrary or unreasonable discrimination."

Resources
This matter was, in fact, referred to obliquely—very obliquely—by Sidney Tinsley, a member of the last reading debate. What is not at all clear to the people is the issue involved: there is a whole cornucopia of law protecting the worker who is unfairly dismissed by an employer and in the workers' charter of 1974 (the Trade Union and Labour Relations Act) Section 5 gave "every worker" the statutory right "not to be excluded from membership, expelled from membership of a trade union or a branch or section of a trade union by way of arbitrary or unreasonable discrimination."

Resources
This matter was, in fact, referred to obliquely—very obliquely—by Sidney Tinsley, a member of the last reading debate. What is not at all clear to the people is the issue involved: there is a whole cornucopia of law protecting the worker who is unfairly dismissed by an employer and in the workers' charter of 1974 (the Trade Union and Labour Relations Act) Section 5 gave "every worker" the statutory right "not to be excluded from membership, expelled from membership of a trade union or a branch or section of a trade union by way of arbitrary or unreasonable discrimination."

Resources
This matter was, in fact, referred to obliquely—very obliquely—by Sidney Tinsley, a member of the last reading debate. What is not at all clear to the people is the issue involved: there is a whole cornucopia of law protecting the worker who is unfairly dismissed by an employer and in the workers' charter of 1974 (the Trade Union and Labour Relations Act) Section 5 gave "every worker" the statutory right "not to be excluded from membership, expelled from membership of a trade union or a branch or section of a trade union by way of arbitrary or unreasonable discrimination."

Resources
This matter was, in fact, referred to obliquely—very obliquely—by Sidney Tinsley, a member of the last reading debate. What is not at all clear to the people is the issue involved: there is a whole cornucopia of law protecting the worker who is unfairly dismissed by an employer and in the workers' charter of 1974 (the Trade Union and Labour Relations Act) Section 5 gave "every worker" the statutory right "not to be excluded from membership, expelled from membership of a trade union or a branch or section of a trade union by way of arbitrary or unreasonable discrimination."

Resources
This matter was, in fact, referred to obliquely—very obliquely—by Sidney Tinsley, a member of the last reading debate. What is not at all clear to the people is the issue involved: there is a whole cornucopia of law protecting the worker who is unfairly dismissed by an employer and in the workers' charter of 1974 (the Trade Union and Labour Relations Act) Section 5 gave "every worker" the statutory right "not to be excluded from membership, expelled from membership of a trade union or a branch or section of a trade union by way of arbitrary or unreasonable discrimination."

Resources
This matter was, in fact, referred to obliquely—very obliquely—by Sidney Tinsley, a member of the last reading debate. What is not at all clear to the people is the issue involved: there is a whole cornucopia of law protecting the worker who is unfairly dismissed by an employer and in the workers' charter of 1974 (the Trade Union and Labour Relations Act) Section 5 gave "every worker" the statutory right "not to be excluded from membership, expelled from membership of a trade union or a branch or section of a trade union by way of arbitrary or unreasonable discrimination."

MEMO TO INVESTORS: HOW TO MAKE REAL MONEY IN 1977
How many booms and boomlets have you sat through, wondering which way to jump? Gilt one month, equities the next, commodities the month after.

Handwritten Arabic text at the bottom of the page.

Playing the summer crisis backwards

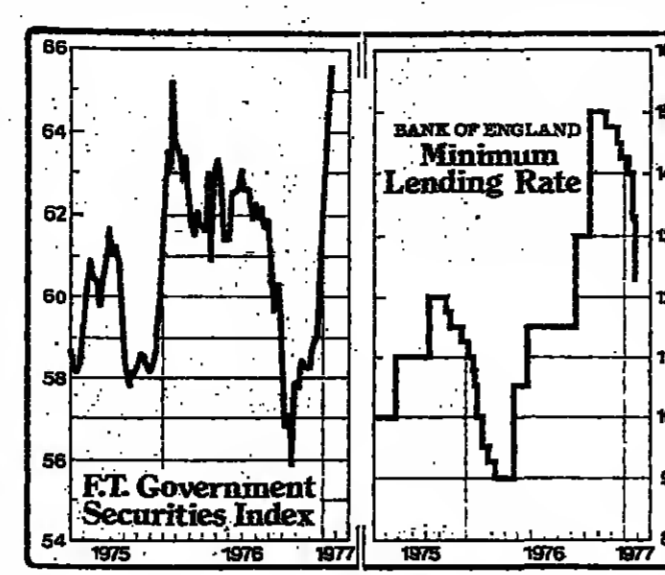
BY ANTHONY HARRIS

ORDINARY turns in the gilt-edged market since last Thursday's climax last Thursday's 11.5bn. long tap, by the Bank of England, provide a market for long rates until well into a matter of weeks. The market has now taken £7.5bn. of stock since a rise in interest in October—nearly twice as much as the net subscription in the previous 14 months. It must be remembered that the period includes the similar operation started in October 1975, which was then seen as a triumph of such funding; there has never been a remotely comparable government funds sale. The government index has risen nearly 10% in a month in spite of a big scale of official sales. Perhaps the most telling fact is that the market has proved itself—despite a large cost to taxpayer.

The dam burst

What does all this mean for the future? The debate is only just beginning but it is already clear that the gilt market will never be the same again; some signs in the methods of issuing the Government's financing requirements are already needed. This will almost certainly involve sharper rises in the prices and yields of government stocks than the Bank of England thought desirable before the dam burst; it

may also involve, at long last, the issue of different kinds of government stock. The market also clearly believes that the low point in gilts at the end of October was a historic turning point—the end of a bear market in government stock which had persisted, with a few interruptions, for nearly 30 years.



As a long view, this is very probably right, but a more flexible policy by the Bank means that there may be some nasty tumbles on the way up and the prospect of a long bull market in government stock also has disturbing implications for company shares and fund-raising.

To understand what has happened, one must first grasp what determines the amount of stock which the Government needs to sell. In most discussion, this is seen simply as a matter of raising the money for that part of Government spending which is not covered by taxation—the counterpart of a Government policy of deficit spending (to prevent unemployment rising still higher) without "printing" money (to help to check inflation). In this simple domestic model, the Government's need for funds and the expected increase in private borrowing from the banks, are the two forces tending to create new money: the Government must sell enough stock to cover the difference between this total (say, £13.5bn. in the present financial year) and the desired increase in the stock of money (a little under £3bn.).

However, this leaves out the balance of payments and other flows across the exchanges; and these flows can easily be big enough to swamp the domestic arithmetic, as they have been

during the last year. They can also enormously complicate the sums because these flows can be speculative and perverse.

If we first consider simply the current balance of trade in goods and services, it is easy to see that a balance of payments deficit is a potential drain on the domestic money supply. Importers and tourists going abroad need foreign currency, which they obtain by selling pounds to the authorities. Insofar as these sales are not matched by foreign purchases of sterling to pay for British goods and services, money vanishes from the domestic economy; and the Government obtains sterling to cover its own deficit by selling currency either from the reserves or from the proceeds of foreign currency loans. Its need for domestic borrowing is thereby reduced.

In the financial markets, however, money is money; a bank cannot distinguish between a pound sold by a British tourist and one sold because a multinational company has decided to switch cash into another currency. So an outflow of private capital has exactly the same impact as a trade deficit

has, a very indirect effect on the balance of payments. If it is highly restrictive, it will reduce demand; but if there is still a trade deficit even when the economy is depressed, the rules of the monetary game would force the Government to finance that deficit. A DCE target sets a limit to the amount of potential money creation in the domestic economy, whether the money created stays at home to appear in the money supply, or leaks away abroad. A DCE rule therefore forces the Government to tighten its monetary policy if the balance of payments deteriorates—the result the IMF wants.

However, regarding DCE as a useful measurement rather than as a piece of IMF legalese also explains another fact: the amount of stock the Government needs to sell is determined not just by the Government's own deficit, but also by the balance of payments—not just the trade balance, but the movement of funds.

Finally, it must be noted that this relationship works both ways: if there is a big balance of payments outflow—a started, say, by a threatening speech from a trade union leader—the Government may be forced to borrow abroad rather than at home. But the authorities themselves can cause the trouble. If the sales of government stock are not enough to limit potential money creation at home to what the economy urgently needs—in other words, if it allows foreign flows to become excessive—there is a tendency for the excess money created to leak away abroad; so the Government can be forced into foreign debt simply by its failure to fund at home, or because of an unexpected rise in bank lending.

Against this background, the events of the last few months, and their amazing transformation in the last few weeks, can be understood; and so can the difficulties facing our own authorities. First came the encouraging start of 1975: gilt sales were high, domestic credit creation under firm control, the pound was strong and interest rates fell. Then came the collapse of the pound in March, and the first inflation scares created first by the Stage 2 wage negotiations and then by the seamen's strike.

Through the summer and autumn the Chancellor and his officials tried to talk the market back into confidence; they resisted the rise in interest rates which was needed to compensate investors for their new fears. Domestic credit expansion ran clean out of control; but the outflow of funds was so large that the growth of the money supply did not reflect the growth of lending for some time. The adjustment in interest rates, when it finally came, was unprecedentedly sharp, but even then it took a second rise to turn the tide.

What has followed now begins to look like a film of last summer played backwards. As sales of gilts have gathered pace—and the IMF loan and sterling safety net agreements, coupled with clear evidence that government spending is being held under control, have allayed foreign fears—the flows have reversed. The sales of gilts have covered the Government's domestic deficit for several months ahead, and domestic credit creation has been put into reverse; but the Bank of England has softened the impact by releasing special

floating interest rate, attractive just when rates seem likely to rise; or indexed bonds, which would appear when inflation fears were strong. Such securities would certainly help to enable the Bank to sell stock smoothly month by month; but even then, as the Chancellor hinted in the House on Thursday, measures may also have to be taken to check unwanted inflows of money from abroad.

Given these reforms, events would be more predictable; but it must be remembered that the Government's need to sell stock will be much larger in future than in the recent past, in spite of the reduction in its own deficit, simply because the balance of payments can now be expected to improve sharply. It might be thought that this need to sell large sums of stock would depress the market; but so long as the market believes, as it does at the moment, that the prospect is for a lower rate of inflation it is likely to buy stocks eagerly. If interest rates have now to fall as part of a plan to discourage foreign inflows, so much the better.

The belief that there is now a long-term pit prospect for gilts therefore seems fairly well founded, though it is not a certainty. This will cut off the supply of funds for industry—permitted monetary growth provides for that; but if industry has to compete with rising gilts for its money, funds for investment may prove inordinately expensive until interest rates have fallen a great deal further. This danger of "crowding out" is perhaps the most persuasive of all arguments for lower interest rates—and therefore for a gilt boom.

LABOUR NEWS

Technology appeal to print workers

ALAN PIKE, LABOUR STAFF

APPEAL to print workers to der proposals for the introduction of new technology at Street on their merits, not allow them to be pushed out of existence by Mr. Owen, general secretary of the National Society of Operative Printers, Graphical and Media.

O'Brien's members began next week on the programme for action prepared by sides of the industry. The set Street members of the Social and Plumbing Trades have rejected the programme, and it has been received enthusiastically at meetings of unions.

O'Brien reminds his members in this month's issue of a journal that financial benefits come only from business, which are financially. This was the first reason for everyone's disquiet that changes in technology should be implemented.

The programme for action was merely a blueprint for considering how best to make the newspaper industry viable within the context of joint committees.

It had been received by a delegate meeting of "negative character" in London, but none of the programme's critics was able to offer any alternative.

It had to be stressed that there was nothing in the document which took away from unions the constitutional rights of members contained in their rule books.

Officers which enjoyed better conditions than those contained in the programme would not suffer. There was no way in which there would be a worsening of conditions as a result of accepting the proposals.

The programme was not perfect, but it offered a way in which the problems of the newspaper industry could be discussed and mutual agreements reached, Mr. O'Brien said.

Car strikers to discuss formulas for peace

OUR LABOUR CORRESPONDENT

END meetings of striking car delivery drivers at Ford Halewood body plant will consider peace formulas in their disputes.

270 drivers employed by Car Delivery meet today in the outcome of negotiations between the Transport and General Workers' Union and Leyland.

Drivers are protesting at plans to handle a share of expanding output of its Solihull plant.

Unless the drivers lift their picketing of Leyland's Midland plants including Rover, Triumph, Jaguar and Longbridge, car production could be seriously affected with widespread layoffs.

The 5,000 workers who have been on strike at Ford's Halewood body plant, Merseyside, for the past week also are expected to be called together, possibly to-morrow, to hear a peace formula.

They are seeking assurance that introduction of the new Fiesta model, assembled at Dagenham, will not affect Escort sales and their jobs.

Brewsbury picket Welsh sit-in

OUR LABOUR STAFF

200 building workers occupying the Pontin's camp at Prestatyn, Wales, yesterday, because of redundancy.

200 workers included Mr. Jamieson, one of the brewery pickets released last after a prison sentence for strike.

and other pickets had with workers who had decided to join a strike.

building workers at Pontin decided to occupy the site first carrying out a picket. It said the contractors were trying to reduce the labour force in order to sub-contract the work to workers on the lump sum system, whereby they paid no income tax or national insurance.

Pontin's said last night that there was no question of lump sum being used.

The 200 strikers are seeking official support for the strike. This is likely to be considered at a regional meeting on Monday of one of the main unions involved, the Union of Construction, Allied Trades and Technicians.

Ultimatum by bakers

BAKERS' Federation said tonight that it would act against drivers who failed to head after Thursday night line in the bread price came after Mr. Roy Price, Secretary, urged all parties to recon- sider their position pending talks.

The federation said that if no satisfactory solution was agreed on Thursday, members of the Federation will no longer be able to refrain from taking such action as may be necessary to ensure that those employees who are not complying with their terms and conditions of employment return to normal work.

U.S. December trade deficit down to \$551m.

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Jan. 28.

FURTHER EVIDENCE that the American economy is moving into higher gear was provided to-day with the news that the Government's index of leading economic indicators rose by 1.6 per cent in December, the largest monthly increase recorded last year.

At the same time, the American trade deficit narrowed to \$551m. last month from the \$906m. of November, with exports rising faster than imports.

For the year as a whole, the American trade deficit stood at \$5.9bn., in sharp contrast to the \$1.1bn. surplus of 1975. The turnaround reflects the fact that the American economy performed better than those of its major trading partners over the 12 months.

Left critical

The index of leading indicators, which foresees developments in the economy, rose for the third consecutive month. Other measurements of economic performance have looked uniformly in the better in the last six weeks.

though it is possible that the severe winter and the natural gas shortage will put some dent into rising industrial activity in the first months of this year.

President Carter's \$31.2bn. two-year economic package is designed to ensure that the economy does not run out of steam, as it did last year.

The package has been criticised from the Left on the grounds that it should concentrate more on job creation, and from the Right, which presses a permanent tax cut rather than the rebates which the plan proposes.

Opposition to it is not likely to succeed in substantively altering its major features, provided Mr. Carter does not totally ignore Congressional opinion in the course of the ensuing debates on Capitol Hill.

The new Democratic Congressional leadership has complained mildly this week that it is not being fully consulted and some attention probably will be paid in the White House to these sentiments.

Spending on health 'will be slowed'

SPENDING on the National Health Service is not being cut, but there will be a reduction in the previously planned rate of growth, according to Mr. David Ennals, Secretary of State for Social Services, yesterday.

Mr. Ennals, speaking to the London School of Hygiene and Tropical Medicine, denied that the Health Service was "bankrupt or on the verge of collapse."

"It is the largest employer in the country.

"If our manpower continued to expand at the rate of the last 20 years by the year 2100, every job in Britain would be in the Health Service."

Mr. Ennals' defence of the service comes after a period during which it has been under particularly severe attack from several quarters. Among the less-publicised are 200 submissions, hundreds of them many pages long, received by the Royal Commission on the Health Service.

Some of these—such as the British Medical Association's evidence presented at the weekend—make proposals for radical change. It is published sets of evidence from every conceivable body that has anything remotely to do with health, show satisfaction with the service as it is.

Mr. Ennals reiterated the Government's point of view on a long list of points, all of them to do with the proposed reduction in the rate of growth of the service from now on.

The scheme to divert cash from better-off to poor regions was particularly justified in London by the fall in the capital's population. But even the best-provided region would get some growth.

"The lowest growth rate for any region next year will be

Creditors reach agreement on NUS Travel

AGREEMENT was reached in the High Court yesterday on a petition seeking the compulsory winding up of NUS Travel, the subsidiary of the National Union of Students.

By consent Mr. Justice Oliver dismissed a petition by AUS Travel, the organisation of Australian student movement. He also discharged the Official Receiver, who was appointed provisional liquidator of NUS Travel when the petition was launched last November.

Joint voluntary liquidators appointed by creditors earlier this month will have charge of the company's affairs.

Apart from AUS, trade creditors for £170,000, other main creditors include British Rail claiming £450,000 and British Airways claiming £40,000.

Economic Diary

THE PRIME MINISTER will be chairman of the National Economic Development Council meeting on Wednesday, scheduled to review Government's industrial strategy.

TO-DAY—Prime Minister speaks at opening of Labour Party Local Government Conference, Harrogate.

SUNDAY—Mr. Edmund Dell, Secretary for Trade, on two-day visit to Germany to study how worker director system operates.

MONDAY—Mr. Denis Healey, Chancellor of the Exchequer, expected to have talks with Dr. Johannes Witteveen, managing director, International Monetary Fund—in the evening both are guests at annual banquet of Overseas Bankers Club, Guildhall, at which Mr. Healey is the main speaker. Labour Party—TUC Liaison Committee meets at Congress House, EPC. Foreign Ministers Conference opens at Lancaster House, W2. Emergency subsidy for pig producers. Building society house prices and mortgage advances (4th qtr.).

TUESDAY—Lord Carrington, Conservative leader in the House of Lords, begins two-week fact-finding mission to southern Africa.

Roy Mason, Secretary for Northern Ireland, at Foreign Association lunch, 11, Carlton House Terrace, S.W.1. CBI Northern Region and Smaller Firms council meetings.

THURSDAY—Mr. Jim Slater on Companies Act summonses. Energy Department announces details of new offshore licences. CBI economic situation committee meets. Department of Employment Gazette will include stoppages of work due to industrial disputes (December) and quarterly estimates of employees in employment (September).

FRIDAY—Mr. John Methven, CBI director-general, speaks at United Glass Conference dinner.

Abbey National present

SUPER RATE

9.25% = 14.23% p.a.

GROSS EQUIVALENT IF YOU PAY INCOME TAX AT THE BASIC RATE OF 35%.

ONE GREAT RATE—TWO GREAT WAYS TO GET IT!

SAVERS If you can save regularly then the big Build-Up is for you. That 9.25% interest soon builds up financial security behind you. And when you need your savings they are readily available. So come on in...regularly!

INVESTORS If you've got £1,000 to £10,000 (£20,000 for joint investments) to invest for a 3-year period, you'll find the terms of this new issue of Abbey National Bondshares very hard to equal. Abbey National security has never paid better. So come on in!

Bondshare interest rates may vary, but for this issue will always exceed the Share Account rate by 1-3% (3 year).

Get the Abbey Habit

ABBEY NATIONAL

for the security you need today

Over 420 branches (see Yellow Pages) most open 9.5 daily; PLUS Saturday mornings. Assets now exceed £4,350 million. Abbey National Building Society, Abbey House, Baker Street, London NW1 6XL.

BIDS AND DEALS

Golden Hope rejects £43m. Genting offer

The Board of Golden Hope Plantations yesterday rejected a £43m. cash bid from Genting Highlands Hotel, the Malaysian hotels and casino group which has previously thwarted Harrison Crossfield's plans to acquire the interests of the company along with those of London Asiatic and Pataling...

Following the defeat of the original proposal to merge the three companies under a new Malaysian company HPB while giving shareholders the option of shares in a U.K. company HME, new proposals for a merger of the three in HME have been put forward on much the same terms but without the Malaysian option...

Although in a position to defeat the original proposal, Genting is now unable to prevent the merger of the three companies other than launch a bid. It sees the merger as 'objectionable both in concept and in its outmoded pyramid structure'...

However, it claims that H & C's role 'has extended beyond the provision simply of agricultural management services' and an intricate web of cross-holdings between its plantation associates has progressively increased the...

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

Lombard, the international trading company, has wrested the initiative in the struggle for control of Dunford and Elliott with an agreed £14.3m. offer. Having quickly taken its shareholdings in Dunford to the 25 per cent. limit allowed by EEC regulations...

In a move which might prove to be a turning point in the investment trust sector, British Rail Pension Funds is making a £30m. bid for Standard Investment Trust, a member of the Touche Remnant Group. Although the 130p cash terms were quickly rejected by Standard as inadequate, the latter's directors have indicated their readiness to discuss improved terms...

The National Enterprise Board's plan to purchase a 24.4 per cent stake in White, Child and Beney, the Manchester-based materials handling and plastics company has sparked off a hotly-contested bid from Arthur Guinness, the company's main shareholder. The offer is made in order to prevent the agreement between White Child and the NEB whereby the latter subscribes £1.1m. in cash for new shares giving it an ultimate equity holding of 24.4 per cent...

West Cumberland Farmers, a Co-operative Society, has made an approach to Carr's Milling which might lead to an offer of 45p per share for a total consideration of £22m.

Table with columns: Company, Value of bid, Market price, Price before bid, Value of bid, Bidder, Final price. Lists various companies like Cattle Holdings, Central Line Secs, Central Wagen, etc.

Table with columns: Company, Year to, Pre-tax profit, Earnings, Dividends. Lists companies like Abbey Francis, ACE Machinery, Abblon, etc.

Table with columns: Company, Half-year, Pre-tax profit, Interim dividends. Lists companies like Abbey, W.G. Allen, Attock Petroleum, etc.

Offers for sale, placings and introductions. Amalgamated Stores: Re quotation £552,326 issued share capital. Rights Issues: Weeks Associates: One-for-one at 10p each. Scrip Issues: R. Goodwin and Sons (Engineers): One-for-one. Incheape: One-for-two.

Two Electra House trusts in talks

Two investment trusts in the Electra House group - Globe and Cable Trust, which together have assets approaching £25m - have had talks which could lead to a merger.

The Boards of the two trusts believe that such a merger would improve the position of shareholders. They also believe that the elimination of cross-shareholdings between the two trusts would improve the attributable net asset value of the shares of both companies.

The more by the Electra House stable is yet another attempt to rectify the situation where, despite a 'strong' recovery in the Stock market, investment trust shares have remained at substantial discounts to assets. However, one year ago the two trusts now involved in merger talks binned off Electra Investment Trust into a separate unit.

SPEAR & JACKSON DISPUTES FIGURES

Shareholders in Spear and Jackson are gain being advised by their Board to reject the conditional take-over bid from Hestair. They are told that the offer does not represent an acceptable value for the company's shares and that Hestair shares 'are not an acceptable form of consideration'.

VAVASSEUR SETS UP SALE

Financial groups J. H. Vavasour is set to dispose of the last of its overseas holdings with the intended sale of Vavasour Pacific to three of that company's directors. A statement yesterday said that J. H. Vavasour had entered into a conditional agreement for the sale of his holding of 1,843,250 shares in Vavasour Pacific for £408,000.

"Life is just one damned thing after another."

Advertisement for Schroder Life Group featuring a portrait of a man and text about life insurance and investment services.

LOOKERS LIMITED. Preliminary results for the year ended 30th September 1976 (unaudited). Table showing turnover, profit before tax, tax, profit after tax, and earnings per share.

RECENT ISSUES. Table with columns: Issue, Date, Price, etc. Lists various financial issues like Equities, Fixed Interest Stocks, and Rights Offers.

Schlesingers Capital Conversion Scheme. FIRST ANNOUNCEMENT. Text describing the scheme for higher rate taxpayers, including benefits from the 'Nil Yield' Fund and the Qualifying Policy.

THE FINANCIAL TIMES SHARE INDEX. OCT 29th 1976 at 279.0. Includes text about Pioneer Index Linked Bond and Pioneer Mutual Insurance Co. Ltd.

THE FINANCIAL TIMES SHARE INDEX. JAN 27th 1977 at 391.8. Includes text about Shares appreciated by 40-43% and For full details of the Pioneer Index Linked Bond complete the coupon.

Schlesingers Capital Conversion Scheme. This combination provides considerable benefits. Minimum investment is £2500. For the full facts please contact Richard Bagge at our Client Liaison Office - telephone Dorking (0306) 86441 - or return the coupon below.

WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Mixed economic news: up 2.99

OVERSEAS SHARE INFORMATION

Investment premium based on \$2.60 per £1—37.1% (1971-)

BY OUR WALL STREET CORRESPONDENT

A MIXED TREND prevailed on Wall Street today... Mixed economic news: up 2.99

Superior Oil was lifted \$5 to \$225... The Dow Jones Industrial Average finished 2.99 up at 937.53

OTHER MARKETS

Canada still lower... Paris—Majority of French shares again slipped back in calm trading

conditions, following strong West Gorman demand for Alcoa, up 17c to \$17.70

BRUSSELS—mixed in very quiet trading... The Dow Jones Industrial Average finished 2.99 up at 937.53

Public Authority Loans formed up to DM4.55... AMSTERDAM—Firm in calm trading, reflecting political uncertainty

Table of Overseas Share Information with columns for Stock, Jan 28, Jan 27, and various price points.

Indices

NEW YORK—DOW JONES

Table of Dow Jones indices for Jan 28, 27, 26, 25, 24, 23, 22, 21, 20, 19, 18, 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1.

Y.E.S.E. ALL COMMON

Table of Y.E.S.E. All Common indices for Jan 28, 27, 26, 25, 24, 23, 22, 21, 20, 19, 18, 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1.

STANDARDS AND POOLS

Table of Standards and Pools indices for Jan 28, 27, 26, 25, 24, 23, 22, 21, 20, 19, 18, 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1.

MONTEREAL

Table of Montreal indices for Jan 28, 27, 26, 25, 24, 23, 22, 21, 20, 19, 18, 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1.

TOBACCO

Table of Tobacco indices for Jan 28, 27, 26, 25, 24, 23, 22, 21, 20, 19, 18, 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1.

JOHANNESBURG

Table of Johannesburg indices for Jan 28, 27, 26, 25, 24, 23, 22, 21, 20, 19, 18, 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1.

F.T. CROSSWORD PUZZLE No. 3,292

A prize of £3 will be given to each of the senders of the first three correct solutions... Crossword puzzle grid and clues.

RACING BY DOMINIC WIGAN

NO SOUTHERN-BASED trainer has a better National Hunt record at Doncaster than Fred Rimell... Rimell's best hope is Brown Admiral.

Rimell's best hope is Brown Admiral

Table of racing results for Doncaster, including race numbers, names, and times.

Table of racing results for Windsor, including race numbers, names, and times.

Table of racing results for Ayr, including race numbers, names, and times.

Table of racing results for Wincanton, including race numbers, names, and times.

Table of racing results for Wincanton, including race numbers, names, and times.

Table of racing results for Wincanton, including race numbers, names, and times.

SOLUTION TO PUZZLE No. 3,291

Across: 1 Where the Foraytes lived in their wisdom (8)...

SOLUTION TO PUZZLE No. 3,292

Across: 4 At times of pressure it can be seen outside the tube (10)...

Large table of international stock market data including Germany, Milan, Australia, Brussels/Luxembourg, Stockholm, Amsterdam, Tokyo, Copenhagen, and Vienna.

AUTHORISED UNIT TRUSTS

Table of unit trusts including Abbey Unit Tr. Mgrs. Ltd., Allied Hambro Group, and various other funds with their respective managers and performance metrics.

Table of unit trusts including Discretionary Unit Fund Managers, Equity & Law Unit Tr. Mgrs., and various other funds.

Table of unit trusts including M & G Group, NEX Trust Managers, and various other funds.

Table of unit trusts including Target Unit Mgrs. Ltd., various other funds, and performance data.

Table of unit trusts including Anshacher Unit Mgmt. Co. Ltd., Arbutnot Securities Ltd., and various other funds.

Table of unit trusts including The British Life Office, various other funds, and performance data.

Table of unit trusts including various other funds, performance data, and management details.

Table of unit trusts including various other funds, performance data, and management details.

Table of unit trusts including various other funds, performance data, and management details.

Table of unit trusts including various other funds, performance data, and management details.

Table of unit trusts including various other funds, performance data, and management details.

Table of unit trusts including various other funds, performance data, and management details.

Table titled 'REGIONAL MARKETS' showing share prices for various regional markets.

Large table titled 'INSURANCE, PROPERTY, BONDS' listing various insurance and investment products with their respective details.

Advertisement for 'APOLLO' magazine, featuring the text 'The world's leading magazine of Arts and Antiques'.

Advertisement for 'Bonds up 70% in 5 years' with a graphic showing a rising line graph.

Advertisement for 'Ingram Investment Services Ltd' providing investment advisory services.

Table titled 'OFFSHORE AND OVERSEAS FUNDS' listing various international investment funds.

NOTES section containing additional information and disclaimers regarding the investment services.

ARBUTHNOT HIGH INCOME FUND One of the highest incomes available 12.12% PHONE 01-248 2648

FT SHARE INFORMATION SERVICE

HOTELS - Continued

BRITISH FUNDS

Table of British Funds with columns for Stock, Price, Div, and Yield. Includes sub-sections for 'Shorts' and 'Five to Fifteen Years'.

INTERNATIONAL BANK

Table of International Bank funds with columns for Stock, Price, Div, and Yield.

CORPORATION LOANS

Table of Corporation Loans with columns for Stock, Price, Div, and Yield.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans with columns for Stock, Price, Div, and Yield.

LOANS (Misc.)

Table of Miscellaneous Loans with columns for Stock, Price, Div, and Yield.

FOREIGN BONDS & RAIS

Table of Foreign Bonds & Rais with columns for Stock, Price, Div, and Yield.

AMERICANS

Table of American stocks with columns for Stock, Price, Div, and Yield.

CANADIANS

Table of Canadian stocks with columns for Stock, Price, Div, and Yield.

BANKS AND MIRE PURCHASE

Table of Banks and Mire Purchase with columns for Stock, Price, Div, and Yield.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Stock, Price, Div, and Yield.

RETAIL

Table of Retail stocks with columns for Stock, Price, Div, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads with columns for Stock, Price, Div, and Yield.

BUILDING INDUSTRY - Continued

Table of Building Industry - Continued with columns for Stock, Price, Div, and Yield.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics with columns for Stock, Price, Div, and Yield.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres and TV with columns for Stock, Price, Div, and Yield.

DRAPERY AND STORES

Table of Drapery and Stores with columns for Stock, Price, Div, and Yield.

ENGINEERING - Continued

Table of Engineering - Continued with columns for Stock, Price, Div, and Yield.

DRAPERY AND STORES - Continued

Table of Drapery and Stores - Continued with columns for Stock, Price, Div, and Yield.

ELECTRICAL AND RADIO

Table of Electrical and Radio with columns for Stock, Price, Div, and Yield.

ENGINEERING - Continued

Table of Engineering - Continued with columns for Stock, Price, Div, and Yield.

ENGINEERING - Continued

Table of Engineering - Continued with columns for Stock, Price, Div, and Yield.

INDUSTRIALS (Misc.)

Table of Industrials (Misc.) with columns for Stock, Price, Div, and Yield.

FOOD, GROCERIES, ETC.

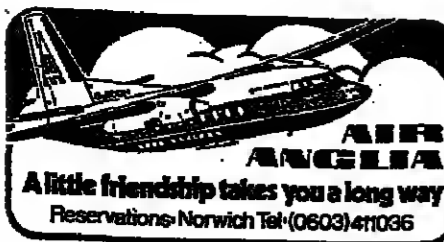
Table of Food, Groceries, Etc. with columns for Stock, Price, Div, and Yield.

HOTELS AND CATERERS

Table of Hotels and Caterers with columns for Stock, Price, Div, and Yield.

S.E. List Premium 20% based on S&P 500 per cent

Conversion factor 0.708 (0.7662)



THE LEX COLUMN

Do not pass GO: do not collect 120p

The proposed price is not the only objectionable feature of Générale Occidentale's proposed bid for the outstanding 49 per cent of Cavenham, but it is an obvious starting point. Cavenham's net assets exceed 150p per share, its earnings this year will be about 20p per share, and it has said that over the next couple of years its cash resources will build up to around 115p per share. The mooted bid is 120p per share, which compares with a 1975-76 high of over 150p.

It will be a remarkable business coup if the top of the pyramid succeeds in absorbing its base. There are not many institutional holdings among the minority, so a lot will depend on whether the Pru (with about 6 per cent.) is prepared to be awkward.

It will be a remarkable business coup if the top of the pyramid succeeds in absorbing its base. There are not many institutional holdings among the minority, so a lot will depend on whether the Pru (with about 6 per cent.) is prepared to be awkward.

Index rose 12.5 to 403.2

hard to find a stock yielding more than 14 per cent, the F.T. Government Securities Index has moved into ground which it has not explored since the autumn of 1973. Equities continue to be dragged up in the wake of gilts, though big price rises for two constituents — Cavenham and John Brown — of the F.T. 30-Share Index overcame the ease with which it penetrated the 400 level yesterday. More than the whole of the week's 18.5-point rise has come in the last two days.

The Bank of England now has a week-end in which to ponder on how to regain control of the financial markets. In fact the rapid fall in interest rates, even though not what the Bank wanted, will soon solve a lot of its problems, for the market will realise that a large part of its main current — this winter's fall in M.L.R. — has already been eaten up.

John Brown

The extent of the recovery at John Brown caught the market by surprise and the shares jumped by a fifth to 134p. The group expects to make over £10m. in the year to March, 1977 (against £17m.). With a subnormal tax charge the prospective p/e drops to 3.5, the yield is almost trebled to 8.9 per cent and the dividend will be covered five-fold, compared with an average 1.2 times over the past decade. After losing £5.6m. over the last two years CJB (the chemical engineering side) should produce well over £3m. this year and JBE, helped by the boom in gas turbines, will double its profits to £4m. or so. As a result, the rate of return on shareholders' funds has jumped from 4.7 per cent to over 20 per cent. The problem now is to maintain it at this level in future.

Breaking 400

A week ago the Government was supplying his overall Grand Mot is not un-£1.25bn. super-tap Treasury happy at the way the current 131 per cent, 1993 at 961, but year is turning out at 75p the by last night (with official supplies exhausted on Thursday morning) it was almost 3 points higher. That is some measure of the momentum behind the gilt-edged market, where it is now now much brighter.

Grand Metropolitan

With growth accelerating from 31 per cent in the first half to 39 per cent in the second, Grand Metropolitan's pre-tax profits of £57.1m. are slightly ahead of the market expectations. Profits would only have been 27 per cent without the rights issue, however, and fully diluted earnings per share are up by a modest proportion, from 6.53p to 7.25p. Moreover the net loss on foreign currency debt exposure, treated as an extraordinary item, is doubled to £12.9m.

The most inoyant division is wines and spirits, with J and B Rare (involved in dollars) proving very profitable in the U.S. Hotels and pubs, too, were strong, though the drought hit betting and entertainment, and milk profits were down. The outlook remains patchy, but Broker says supplying his overall Grand Mot is not un-£1.25bn. super-tap Treasury happy at the way the current 131 per cent, 1993 at 961, but year is turning out at 75p the by last night (with official supplies exhausted on Thursday morning) it was almost 3 points higher. That is some measure of the momentum behind the gilt-edged market, where it is now now much brighter.

British Rail may use buses to save £25m. a year

BY IAN HARGREAVES, INDUSTRIAL STAFF

BRITISH RAIL has prepared plans to replace some of its long-distance services with buses. The scheme could cut 2,500 miles from the rail network in the long term.

British Rail believes that the scheme could save it about £25m. a year, after allowing for the cost of operating the buses, but still preserve the branch feeder services for its main inter-city routes. The existing network extends over 11,200 miles.

The plans have been put to the rail unions and to the Department of Transport.

British Rail wants the department to take the lead in developing the integration programme, partly because the National Bus Company is known to be hostile to its suggestion of trading its own inter-city services for what it regards as peripheral railway interests.

The rail unions are concerned at the threat to jobs. British Rail, however, is pleased that it has at least agreed to consider the proposals, which would undoubtedly lead to serious questions of demarcation between the rail and bus unions.

Two categories of alternative bus service are envisaged by British Rail. The first would replace the local rail networks and be absorbed into existing bus systems.

The second would replace the feeder services and consist of limited-stop buses forming an integral part of railway timetables. They would be financed by the Government through the railways' public service obligation grant.

These buses would be operated either directly by the railway or on a contract basis by National Bus and the Scottish Bus Group.

Statutory rule

British Rail hopes that its plans would avoid the errors of the Beeching era, when buses were used to fill gaps in the reduced rail network only to be discontinued later because they incurred heavy losses.

Under the latest proposals, withdrawal of the new bus services would require the same statutory procedure as that for closing rail lines.

to look at each case individually and is prepared to consider retaining some lines for freight-only operations.

It envisages through-ticketing between buses and trains and high quality buses with spacious seating and toilet facilities for its limited-stop feeder buses.

The concept of bus replacement for some rail lines was raised in the Government's transport consultative document last spring and developed by British Rail in its response.

Since then, the railway has had the chance to assess the performance of a prototype bus feeder service from Corby to the Kettering Inter-City rail-head. The service is financed by the county council and operated by National Bus.

British Rail would now like to carry out bus/rail experiments in two other areas.

The railways Board feels that it must force the pace on bus/rail integration. This is partly because its provincial services outside the South-East and the urban passenger transport executive areas are expected to fall £16m. short of meeting even their specific expenses this year — and the gap

is widening. If shared infrastructure costs are taken into account the deficit is much greater.

A longer-term pressure is the ageing of the diesel multiple units on these services. British Rail says these will be worn out in the early to mid-1980s.

Ruled out

The new plans face formidable difficulties, however. Not the least is British Rail's insistence that the scheme must involve National Bus's withdrawal from inter-city express routes which compete with the railway.

National Bus has persistently ruled out this suggestion. It has not yet responded to the invitation to discuss the new plans in detail so it remains to be seen how it will view the division of the proposed new services into categories, the local part of which could be a burden on its finances not allowable against public service obligation.

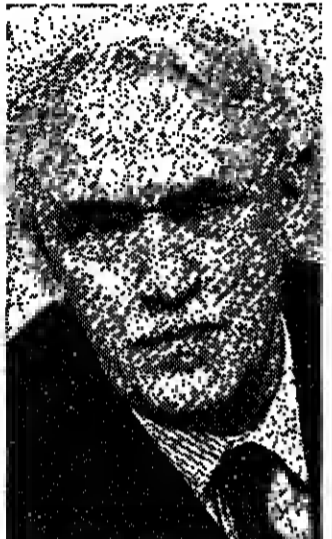
The decisive role, though, belongs to the Government, which is unlikely to enter into any commitments on the plan before publication of the transport White Paper in May.

Division on Board

BY JOHN ELLIOTT

ONE EVENING last summer a motorcade of large official limousines rumbled down the German autobahns from Dusseldorf to Bonn taking a group of men to a meeting with Chancellor Schmidt. On arrival the group was ushered into the Cabinet room where they found not only the Chancellor but the relatively new British Prime Minister, Mr. James Callaghan, British officials, and a host of German industrialists, union leaders and academics. Intense discussion on a subject deeply ingrained in the minds of all those present followed for some two hours after which the German Chancellor entertained his guests at a party and dinner.

The subject was industrial democracy and its contribution to the German economic



Bullock: a team of contrasts.

miracle; the group was the Bullock Committee out on a fact finding mission.

The German trip, as well as a visit to Sweden (where most of the members were to be found one night in the sauna of the chairman of the Swedish State Holding Company) took place during the first seven or eight months of the Committee's work before they broke up into their two groups. They were a strongly contrasted mixture.

On the one hand were the three industrialists, all company chairmen. Their natural leader was Barrie Heath who brought an extrovert baccaraing style to the proceedings. He flew Jack Jones and one of the academics to Germany in the GKN executive jet, ordered his personnel department to write most of the minority report and then, when he had put his signature to their work, announced he would have to have it put into operation in GKN. Through all this, while resisting worker directors in the U.K. he was preparing to invest £24m. in German worker directors through GKN's gradual takeover of the Sachs AG engineering empire in Germany.

Debate

With him in the minority group were Sir Jack Callard who from his lofty position as ex-ICI chairman and the former chairman of the Industrial Participation Association persistently lectured the Committee on all aspects of their subject, and Norman Biggs, formerly of Esso and Williams and Glyn's Bank. Biggs arranged for his bank to conduct its own internal participation inquiry and then organized an appendix to the minority report pleading for financial institutions to be exempted from any new laws.

On the other side (which did not include any company directors) were Lord Bullock who there was Jack Jones who took every opportunity to stress how co-operative shop stewards are and then cut in with the word "confrontation" when he disliked an industrialist's argument. With him was Clive Jenking of ASTMS, whose contributions kept the debate lively, two academics — Professors Wedderburn and Bain — and the TUC's economics secretary, David Lea. It was Jones and Lea who had piloted the policy through the TUC over the past ten years. On the committee Lea, Wedderburn, who is a distinguished commercial and labour lawyer, and Bain, an expert on union recognition issues, formed the drafting group for the majority along with Clive Bullock who provided a deep commitment and an historical perspective, and Nicholas Wilson, a solicitor who eventually wrote a note of dissent.

As Lord Bullock said on Wednesday, the report has put employee representation "on the agenda of British politics." It has also led to some dreadful puns on his name, perhaps the most harmless of which came from a Ministerial advisor who commented wearily "Looking into my crystal ball, I think one can say the majority report is the front runner even if it is not the favourite."

Vorster will not press Smith into settlement

BY QUENTIN PEEL

CAPE TOWN, Jan. 28.

SOUTH AFRICA will not put pressure on Rhodesia to agree to a constitutional settlement, whatever the consequences, Mr. John Vorster, the Prime Minister, declared today.

In a hard-line restatement of his country's refusal to submit to international pressure, Mr. Vorster defended the role of Ian Smith, the Rhodesian Prime Minister, and implicitly criticised that of the African "front-line" presidents, in the moves for a Rhodesian settlement.

He singled out for particular attack the leaders of the Rhodesian Nationalist Patriotic Front, Mr. Joshua Nkomo, Mr. Robert Mugabe.

Mr. Vorster gave absolutely no hint of any South African moves which might break the latest deadlock over the role of Mr. Ian Smith, the Rhodesian Prime Minister, and implicitly criticised that of the African "front-line" presidents, in the moves for a Rhodesian settlement.

Speaking in reply to an opposition motion of no confidence, the South African Prime Minister gave only the faintest indication of any room for manoeuvre; instead of describing the original proposals put by Dr. Henry Kissinger as a contract — as it is seen by Mr. Smith —

described them as "a basis for settlement discussions."

Mr. Vorster made no comment on the British compromise proposals, nor did he make any reference to the "interim settlement" proposed by Mr. Smith as an alternative to a deal with the Rhodesian nationalist leaders.

He committed himself to "continue to seek peace in Southern Africa, regardless of my personal comfort," but ruled out any possibility of a boycott.

Law and order

"Demands to shut our borders and impose boycotts cannot be acceded to, because they are contrary to the policy of this Government," he said. "Pressure will be exerted on South Africa to an increasing degree to exert pressure on others. I would rather hear the consequences. It is wrong to misuse that sort of power to force a man to do something against his will."

Mr. Vorster said the "front-line" presidents — Zambia, Tanzania and other militant countries — "want me to tell the Smith Government that they must settle on any terms Nkomo and Mugabe might submit to him. I am certainly not prepared to pay that price."

In an exhaustive survey of the course of the Kissinger initiative, the South African Premier said that only three issues remained to be agreed after Mr. Smith had met Dr. Kissinger in Pretoria. Those were the white chairmanship of the top-tier council of state; the reservation of the portfolios of defence and law and order for white ministers; and the requirement that decisions of the executive level council of ministers should be by a two-thirds majority.

"Subsequently a message was sent to Mr. Smith through South Africa that he could include those matters in his speech as a basis for settlement discussions," Mr. Vorster said. He did not intend to criticise Dr. Kissinger: "If he says he had the operation of the African states, then I believe him," he said. "He is a honourable man. He was proper and correct at all times."

It was not South Africa which had "dragged" Mr. Smith to meet the U.S. Secretary of State; it was the request of the Rhodesian Prime Minister, Mr. Vorster said. But he said that whereas Mr. Smith had to persuade his party caucus and Cabinet to go along with decisions, "Nkomo and Mugabe are not responsible to anybody and they can change their stance all the time. Mr. Smith must not be judged out of hand."

Bullock White Paper by July

By John Elliott, Management Editor

A WHITE PAPER on the Bullock Report industrial democracy proposals is likely to be published by July. This emerged yesterday after the Minister promised that legislative proposals would be produced this summer.

Speaking in Huddersfield, he implied that the possible refusal of the Confederation of British Industry to consult with Ministers on the proposals would not stop the Government's going ahead.

He said he was trying to coax the confederation into a conciliatory frame of mind when he stressed that legislation would provide for some flexibility and should not be stopped by extremists on either side. He suggested that the TUC and the confederation might try to get together on the subject.

Deep concern

Nationalised industries, which will be covered by the White Paper, are to consult with their sponsoring Ministers and unions on the Bullock proposals which were endorsed yesterday by the TUC's nationalised industries committee.

A memorandum on industrial democracy in the nationalised industries has been drawn up by civil servants under the supervision of Mr. Alan Lord, a second permanent secretary at the Treasury, and is being studied by Ministers. It comes in no final conclusions or recommendations but does take account of the fact that unions in the nationalised industries will have the same Bullock-style opportunities as those in the private sector.

In Birmingham yesterday, the first conference of the managers held since the Bullock report was published on Wednesday showed the deep concern about the possible transfer of power in industry in the unions.

Mr. Callaghan, speaking at a textile mill at the same time as the conference was taking place, said: "Now that the Bullock report has died, I would like to re-emphasise the Government's approach."

Four points

He presented four main points:

- The Government wanted industrial democracy to operate throughout companies as well as in Board rooms;
- This would be done by legislation;
- Without naming the CBI he said no-one could have a stranglehold or veto on such legislation being considered;
- Consultations would start on the basis of the majority report — which is backed by the TUC.

The matter could not drift on indefinitely — so legislative proposals would be produced by the summer.

Weather

U.K. TODAY
BRIGHT spells. Windy showers. London, S. Wales, Cent. S. and S.W. England
Windy showers. Wind N., light. Max. 4C (38F).

S.E. England, E. Anglia
Cloudy. Windy showers. Wind N.E., moderate. Max. 3C
Midlands, N. England, S. Scotland, N. Ireland, I. of Man
Sunny spells. Scattered showers. Wind N., light. Max. 3C (37F).

Channel Is.
Rain early. Brighter later. Wind N.E., moderate. Max. 5C
N. Scotland
Cloudy. Windy. Wind N., moderate. Max. 1C (34F).
Outlook: Similar.

Lighting-up: London 17.15, Manchester 17.17, Glasgow 17.17.

BUSINESS CENTRES

City	Temp	Wind	Cloud	Temp	Wind	Cloud
Alexandria	19	19	19	19	19	19
Algiers	18	18	18	18	18	18
Amman	17	17	17	17	17	17
Baghdad	16	16	16	16	16	16
Bombay	15	15	15	15	15	15
Buenos Aires	14	14	14	14	14	14
Calcutta	13	13	13	13	13	13
Cairo	12	12	12	12	12	12
Colon	11	11	11	11	11	11
Hong Kong	10	10	10	10	10	10
London	9	9	9	9	9	9
Madras	8	8	8	8	8	8
Manila	7	7	7	7	7	7
Medan	6	6	6	6	6	6
Perth	5	5	5	5	5	5
Rangoon	4	4	4	4	4	4
Singapore	3	3	3	3	3	3
Tokyo	2	2	2	2	2	2
Yokohama	1	1	1	1	1	1

HOLIDAY RESORTS

City	Temp	Wind	Cloud	Temp	Wind	Cloud
Algeria	18	18	18	18	18	18
Amman	17	17	17	17	17	17
Bombay	16	16	16	16	16	16
Buenos Aires	15	15	15	15	15	15
Calcutta	14	14	14	14	14	14
Cairo	13	13	13	13	13	13
Colon	12	12	12	12	12	12
Hong Kong	11	11	11	11	11	11
London	10	10	10	10	10	10
Madras	9	9	9	9	9	9
Manila	8	8	8	8	8	8
Medan	7	7	7	7	7	7
Perth	6	6	6	6	6	6
Rangoon	5	5	5	5	5	5
Singapore	4	4	4	4	4	4
Tokyo	3	3	3	3	3	3
Yokohama	2	2	2	2	2	2

Blizzards depleting U.S. fuel stocks

BY STEWART FLEMING

NEW YORK, Jan. 28.

ANOTHER Arctic storm is sweeping into the U.S. Temperatures in the Midwest are falling to 15-30 deg.F. below freezing in blizzard conditions.

The governors of New York and New Jersey have declared states of emergency.

Dwindling supplies of natural gas have forced the declarations in those two states. Ohio also declared an energy crisis and Indiana a natural gas crisis.

With more than 400,000 people already out of work the declarations, which impose priority for homes and hospitals, are causing plant closures.

Natural gas emergencies in Pennsylvania and Ohio are disrupting industry even more.

The Ohio State Manufacturers' Association estimated that today's elimination of all gas supplies to industry would put 250,000 people out of work.

The severe cold has meant that natural gas reserves intended for use in February and March are being run down already. Stocks of home heating oil are declining by about 7.5m. barrels a week and stand at 162m. barrels.

Serious dislocations of industry and domestic users are expected when supplies sink to about 100m. barrels. In some areas the effect will be felt before then.

The Federal Energy Administration intends to ask refiners using cheaper domestic sources of fuel to pay a subsidy to increase in states which are increasingly dependent on imported heating oil, which is more expensive.

Mr. James Schlesinger, the Presidential Energy Adviser, urged congress to take immediate action to ease the natural gas crisis. He urged Americans in sacrifice so that none would go cold this winter.

"I am not attempting to frighten you. The situation speaks for itself," he told a House of Representatives energy subcommittee considering President Carter's emergency natural gas Bill.

The latest weather reports are that a mass of Arctic air is sweeping into the Mid-West at 50 miles an hour.

Windchill readings, which relate temperature and wind speed, are some of the lowest recorded, reaching 60-80 degrees below zero.

In Ottawa Canada's National Energy Board said it had authorised a further emergency export of natural gas to the U.S. because of the serious U.S. shortages.

Declining

The latest weather reports are that a mass of Arctic air is sweeping into the Mid-West at 50 miles an hour.

Windchill readings, which relate temperature and wind speed, are some of the lowest recorded, reaching 60-80 degrees below zero.

In Ottawa Canada's National Energy Board said it had authorised a further emergency export of natural gas to the U.S. because of the serious U.S. shortages.

The latest weather reports are that a mass of Arctic air is sweeping into the Mid-West at 50 miles an hour.

Windchill readings, which relate temperature and wind speed, are some of the lowest recorded, reaching 60-80 degrees below zero.

In Ottawa Canada's National Energy Board said it had authorised a further emergency export of natural gas to the U.S. because of the serious U.S. shortages.

The latest weather reports are that a mass of Arctic air is sweeping into the Mid-West at 50 miles an hour.

Windchill readings, which relate temperature and wind speed, are some of the lowest recorded, reaching 60-80 degrees below zero.

In Ottawa Canada's National Energy Board said it had authorised a further emergency export of natural gas to the U.S. because of the serious U.S. shortages.

The latest weather reports are that a mass of Arctic air is sweeping into the Mid-West at 50 miles an hour.

Windchill readings, which relate temperature and wind speed, are some of the lowest recorded, reaching 60-80 degrees below zero.

Continued from Page 1

Goldsmith plan

Rouault car company, Hambros Bank and Prudential Assurance are other institutional shareholders in it.

Sir James, who has British and French nationality, said that the planned take-over development would not change his life — except make it more agreeable, he hoped. He has recently bought a house in Richmond, near London, and also has a home in Paris.

He is likely before long to give up the chairmanship of Slater Walker, Securities, which he has headed, while it has been much reduced in size, with heavy backing from the Bank of England, since Mr. Jim Slater's resignation as its chairman in October, 1975.

TO THE SHAREHOLDERS OF GOLDEN HOPE PLANTATIONS LIMITED

REJECT THE TAKE-OVER BID FROM GENTING

The directors of Golden Hope Plantations Limited announce that they were notified on 28th January, 1977 that Genting Highlands Hotel Berhad, Malaysia, intends to make a cash offer of 96p per share for all the shares of 10p each in Golden Hope, other than those shares (10.8 per cent.) which it already owns. Genting's proposals envisage the payment by Golden Hope of the same special dividend as is already included under the recommended merger proposals of Harrison's Malaysian Estates Limited.

The directors of Golden Hope have considered the terms of the bid with their financial advisers, J. Henry Schroder Wagg & Co. Limited who are of the opinion that

the bid substantially undervalues Golden Hope either as an independent company or as a participant in the proposed merger with The London Asiatic Rubber and Produce Company, Limited and The Pataling Rubber Estates, Limited.

Accordingly, the directors of Golden Hope advise shareholders to

REJECT THE GENTING TAKE-OVER BID

and continue strongly to recommend shareholders to

ACCEPT THE OFFER BY HARRISON'S MALAYSIAN ESTATES LIMITED

for the purpose of effecting the merger of Golden Hope, London Asiatic and Pataling with a view to the subsequent transfer of residence of the three companies to Malaysia.

Shareholders are reminded that acceptances of the merger proposals must be lodged not later than 3 pm on Monday, 7th February, 1977.

The directors of Golden Hope Plantations Limited have taken all reasonable care to ensure that the facts stated, and opinions expressed herein are fair and accurate and that no material facts have been omitted. All the directors of Golden Hope Plantations Limited jointly and severally accept responsibility accordingly.